Daily Report

East Europe

FBIS-EEU-94-134
Wednesday
13 July 1994

Daily Report
East Europe

FBIS-EEU-94-134 *13 July 1994*

CONTENTS

NOTICE TO READERS: All material in this volume previously disseminated in electronic form.
An Ω indicates a Foreign Media Note.

BULGARIA

Zhelev Leaves for World Cup, Meeting With Gore *[Sofia Radio]* 1
BSP Chief Comments on RFE, Other Stations *[Sofia Radio]* 1
Greek Minister Comments on Sofia Talks *[STANDART NEWS 4 Jul]* 1
Nuclear Plant Chief Interviewed About Conference *[DUMA 2 Jul]* 2
New 'Muslim' Party Chairman Outlines Goals *[DUMA 4 Jul]* 2

CZECH REPUBLIC

Egypt's Mubarak, Delegation Arrive in Prague *[MENA 12 Jul]* 4
Mubarak on Talks *[Cairo Radio]* 4
Newspaper Comments on 'Havel-Klaus Duel' *[MLADA FRONTA DNES 9 Jul]* 4
Minister Views Terms of RFE Move to Prague *[MLADA FRONTA DNES 8 Jul]* 5
Comment on Clinton Approval *[MLADA FRONTA DNES 8 Jul]* 6
Civic Initiative Elects Vachalovsky Chairman *[CESKY DENIK 11 July]* 6
Illegal Spending by Privatization Ministry Alleged *[TELEGRAF 19 May]* 6
Management by Ministry 'Not Nationalization' *[TELEGRAF 19 May]* 7
Agreement With Iraq 'Worth $800 Million' *[MLADA FRONTA DNES 8 Jul]* 7
Warning Against Iraqi 'Bait' *[MLADA FRONTA DNES 8 Jul]* 7
Czechs To Bear Major Cost of Pipeline *[HOSPODARSKE NOVINY 26 May]* 8

SLOVAKIA

President Kovac Makes Official Visit to Spain 9
Meets With Prime Minister *[Bratislava Radio]* 9
Speaks of Bilateral Relations *[Bratislava Radio]* 9
Pittner on Opposition Attitude to Ethnic Issue *[SLOVENSKY DENNIK 8 Jul]* 9
Egyutteles Approves Tripartite Coalition *[SME 11 Jul]* 9
Communist Party Resumes Contact With Leftists *[NARODNA OBRODA 11 Jul]* 10
Moravcik in India, Meets With Prime Minister *[SME 8 Jul]* 10
Indian Interested in T-72's *[NARODNA OBRODA 9 Jul]* 10
Czech-Slovak Customs Union Considered *[HOSPODARSKE NOVINY 23 May]* 11
National Council Amends Laws on Employment *[PRAVDA 9 Jul]* 12

HUNGARY

Tokes, Kovacs Interviewed About Basic Treaties *[Budapest Radio]* 13
Hungarian Parish Disavows Criticism of Tokes *[ROMANIAI MAGYAR SZO 17 Jun]* 14
Computer System Planned for World's Fair *[MAGYAR NEMZET 20 Jun]* 15

POLAND

Ex-NATO Official on Role as Military Adviser *[POLSKA ZBROJNA 11 Jul]* 16
Industry Minister on Policies, Strikes, Post *[TRYBUNA 13 Jul]* 18
Union of Freedom Deputy on 'Strategy' Program *[GAZETA KRAKOWSKA 6 Jul]* 20

ROMANIA

FRG's Kinkel Begins Visit in Bucharest *[Bucharest Radio]* 22
Further on Visit by PRC Prime Minister 22
Vacaroiu Welcomes Li Peng *[Bucharest Radio]* 22
Iliescu, Li Peng Sign Pact *[Bucharest Radio]* 22
Brief Press *[Bucharest Radio]* 23
Li Peng Assesses Tour *[Bucharest Radio]* 24

BOSNIA-HERZEGOVINA

Izetbegovic To Recommend Assembly Endorse Plan *[Sarajevo Radio]* 25
British, French Foreign Ministers in Sarajevo *[AFP]* 25
Ministers Arrive in Pale *[TANJUG]* 25
Ministers Praise Government *[AFP]* 25
Bosnian Serb General Opposes 'Imported Solutions' *[TANJUG]* 26
Court Rejects Contact Group's Partition Map *[Sarajevo Radio]* 27
Akashi: UN To Examine Closely Ethnic Cleansing *[HINA]* 27
BORBA: Milosevic Pressures Karadzic To Resign 27
Milosevic-Karadzic Conflict *[BORBA 6 Jul]* 28
Karadzic: Survival 'Supreme Historic Task' *[TANJUG]* 29
Ganic: Cease-Fire Success Depends on Banja Luka *[Sarajevo Radio]* 29
Banja Luka Serbs Ready To Receive Akashi *[TANJUG]* 29
Army-HVO Command Check Readiness at Front *[HINA]* 30
Government Discusses Topics for Croatian Talks *[Sarajevo Radio]* 30
Bihac Offensive by 'Joint Aggressors' Continues *[Sarajevo Radio]* 30
Serbian Army: Muslims Step Up Doboj Attacks *[TANJUG]* 30
Serbs Turn Back UN General Headed for Gorazde *[AFP]* 31

CROATIA

Tudjman Holds Talks With Ministers Hurd, Juppe *[HINA]* 32
Contact Group Plan Urged *[Zagreb Radio]* 32
Tudjman Comments on Talks *[Zagreb TV]* 32
Tudjman Receives Redman *[Zagreb Radio]* 33
UNPROFOR Accuses Police of Backing Blockade *[TANJUG]* 33
Akashi Views Refugee Situation *[HINA]* 33
Tudjman Holds News Conference in Zagreb *[Zagreb Radio]* 34
HINA on News Conference 38
Herceg-Bosna Authorities To Discuss Peace Plan *[HINA]* 39

YUGOSLAVIA

Federal

Foreign Ministry Condemns Algiers Incident *[TANJUG]* 40
SNO to Organize Protests Against Hurd, Juppe *[TANJUG]* 40
Army Holds Training Exercise in Kragujevac *[TANJUG]* 40

Serbia

Source Says Milosevic 'Furious' With Karadzic *[BORBA 12 Jul]* 40

Kosovo

Military Paper Claims Kosovars Forming 'Army' *[VOJSKA 7 Jul]* 41
Albanian Party Condemns Police Repression *[Tirana TV]* 43

Vojvodina

Prime Minister Supports Hungarian Initiative *[TANJUG]* 43

Zhelev Leaves for World Cup, Meeting With Gore

AU1207173894 Sofia Khorizont Radio Network in Bulgarian 1600 GMT 12 Jul 94

[Text] At lunchtime today President Zhelyu Zhelev departed for the United States on a special Balkan Airlines flight. He will stay there until the end of the World Cup championships and will also have certain working meetings. According to provisional information, one of the meetings will be with U.S. Vice President Al Gore.

The group accompanying the president on his trip to New York included the president's foreign policy adviser, Kamen Velichkov; General Dimitur Vladimirov, chief of the National Protection Service; Tsvyatko Barchovski, chairman of the Committee for Youth and Sports; former player Georgi Iliev, and Bulgarian businessmen.

President Zhelev will be delivering to our Bulgarian team presents of compact discs with Bulgarian folk songs, tape cassettes of the Bulgarian song specially written for the World Cup, and certain small souvenirs.

A few minutes before the president's departure, Stefano Rastrelli, the newly appointed Italian ambassador to Bulgaria, wished him a safe journey to the United States. We will win, President Zhelev said, when asked about the result of tomorrow's World Cup match between Bulgaria and Italy, and added:

[Begin Zhelev recording] The transition that we are going through is very difficult, and I hope that soccer will make things easier for other things that will happen in Bulgaria. In any event, after this World Cup Bulgaria will not be the same, and the Bulgarian nation will not be the same; it will demand profound political changes in the country. [end recording]

BSP Chief Comments on RFE, Other Stations

AU1207182994 Sofia Khorizont Radio Network in Bulgarian 1408 GMT 12 Jul 94

[Text] Bulgarian Socialist Party (BSP) leader Zhan Videnov today told a news conference the information policy of Radio Free Europe is a remnant of the Cold War years. Mr. Videnov said this stand proceeds from a detailed survey the Socialists made of the programs broadcast by Radio Free Europe over the past months. His statement was prompted by a question by a journalist of this radio who draw a parallel between the Hitler Youth and a youth organization the Socialists will set up.

BSP spokeswoman Klara Marinova specified that the BSP's special attitude to the foreign radio stations broadcasting on Bulgarian territory resulted from the special terms they enjoyed in the distribution of radio frequencies. While the BBC and the Voice of America were licensed to broadcast in the FM range in December 1991, Deutsche Welle and Radio Free Europe were granted licences in 1992, while the (anti-communist) Union of the Democratic Forces were in office. According to Ms. Marinova, the licenses the latter two hold are not proper licenses as they were granted by the then-cabinet by means of an administrative act. The BSP spokeswoman also said that unlike the foreign radio stations' Bulgaria-based correspondents, the journalists working abroad are absolutely objective and precise.

If the political forces had reached a consensus for the passage of a law similar to those effective in most European states, the foreign radio stations would abide by the Bulgarian legislation, the Socialists said. There are, however, foreign radio stations that illegally manipulate the public opinion. The BSP therefore believes that the distribution of the national airwaves should seek to protect the interests of the national, including private, capital and the Bulgarian journalists.

Greek Minister Comments on Sofia Talks

AU1207152194 Sofia STANDART NEWS in Bulgarian 4 Jul 94 p 16

[Interview with Greek Minister of Public Order Stilianos Papathemelis by Tatyana Vasileva; place and date not given: "Bulgaria Should Reconsider Its Act of Recognizing Skopje"]

[Excerpts] [Passage omitted] [Vasileva] How did your meetings in Sofia go?

[Papathemelis] They went exceptionally well. I discussed certain issues of mutual interest with Prime Minister Berov and Interior Minister Viktor Mikhaylov. I hope our meetings will be continued at another level, for the sake of Balkan peace and stability. In addition, I had the pleasure of passing on to Mr. Berov personal greetings from Prime Minister Andreas Papandreou, who said that he is waiting for Mr. Berov to visit Athens.

[Vasileva] When will this visit take place?

[Papathemelis] Very soon, some time in mid-summer.

[Vasileva] What disturbs you on the Bulgarian-Greek border?

[Papathemelis] The stream of refugees who enter Greece illegally. They come from other countries, but make temporary stops in Bulgaria on their way to us.

[Vasileva] Which countries are involved?

[Papathemelis] They mainly come from the former Soviet Union, but there is no shortage of emigrants from the Middle East either. The latter normally enter Greece through Bulgaria and Turkey. [passage omitted]

[Vasileva] How many illegal immigrants are there in Greece?

[Papathemelis] They total about 500,000, and include about 30,000 Albanians. They represent a different problem for Greece, because the Albanian state "lives"

from the income received from the labor of its citizens residing illegally in Greece. In contrast to them, foreigners from other Balkan states come to Greece with regular passports, visas, and work permits. What is interesting is that when a particular country begins to show signs of stabilizing economically, the flow of refugees from it immediately drops off.

[Vasileva] How many Bulgarians are there in Greece?

[Papathemelis] They are the fewest of all—about 30,000. Most of them live in northern Greece. [passage omitted]

[Vasileva] Do you advise us to reconsider the act of recognizing Macedonia [The Former Yugoslav Republic of Macedonia—FYROM]

[Papathemelis] I consider this was a wrong step, because the key to the problem of the name of Macedonia is the official recognition of a state without acknowledging that it has a corresponding nation and language. Unfortunately, world public opinion is not interested in these details. They cannot believe that a state may exist juridically, while ignoring the questions of nation and language. Macedonian propaganda is exploiting this. The people in Skopje say: Since we are free Macedonian citizens, we must deliver our oppressed brethren in Greece and Bulgaria. In the final analysis, you should realize that this is a threat for you as well. Bulgaria refuses to accept the Greek position regarding Skopje, but very soon we will find ourselves facing the problem of recognizing their nation and language. [passage omitted]

Nuclear Plant Chief Interviewed About Conference

AU1207085094 Sofia DUMA in Bulgarian 2 Jul 94 p 3

[Interview with Kozma Kuzmanov, director of Kozloduy Nuclear Power Plant, by Lazar Draychev; place and date not given: "If Kozloduy Nuclear Power Plant Were Dangerous, IAEA Would Have Demanded It Be Closed"]

[Text] [Draychev] Mr. Kuzmanov, the Bulgarian public was concerned by reports in the press regarding the convening of the international conference in Greece with a view to closing our nuclear power plant. Is it by accident that the initiative for this came from a state that refused to construct nuclear power plants?

[Kuzmanov] This is a purely internal policy of the Greek Government, and I do not want to comment on it. However, I disagree with the claim that the initiative came from Greece. It is rather the initiative of the Greek "green" movements.

[Draychev] The press mentioned such world giants as Siemens and Philips in Greece as sponsors of the conference. What interest do they have in closing the Kozloduy Nuclear Power Plant?

[Kuzmanov] I do not know about Philips, but we have a letter from Siemens in which this rumor was officially refuted. Siemens is not among the conference's sponsors.

[Draychev] No one says anything about an official Bulgarian presence in Drama, despite the fact that the conference's topic is directly related to Bulgaria.

[Kuzmanov] The event in the Greek city of Drama does not have a state, governmental character, and therefore, there is no official Bulgarian presence. The conference's program mentions reports of several Bulgarian specialists, but this is their own initiative. Naturally, our observers will attend the conference.

[Draychev] Is Kozloduy really a threat to the Balkans, as officially claimed?

[Kuzmanov] I think that this is first of all a moral issue. The ecologists, ostensibly, have higher morals. If the Kozloduy Nuclear Power Plant were a threat to the Balkans, the International Atomic Energy Agency [IAEA] would have immediately demanded to close it down. The expert assessment of scientists from the Scientific Research Sector of the St. Kliment Okhridski University points out that the Fifth and Sixth Reactors are of a modern type, while an international consortium of experts from Belgium, Germany, France, and England gave the green light to the First and Second Reactors.

[Draychev] What is your forecast concerning the reaction of the European Union?

[Kuzmanov] I cannot precisely foresee this, but the European Union perfectly understands that a country like Bulgaria, which is poor in power supply resources and highly efficient fuels, does not have much of a choice. As far as I know the IAEA also dissociated itself from the Greek conference. We are regularly receiving from the IAEA substantial material aid for the current reforms and for reaching a high degree of safety.

For the time being it is more important that Bulgaria firmly defend its nuclear power plant. However, I must say with much bitterness that all those above us turn their backs on the nuclear power supply problems.

New 'Muslim' Party Chairman Outlines Goals

AU1207125094 Sofia DUMA in Bulgarian 4 Jul 94 p 3

[Interview with Dr. Nedim Gendzhev, chairman of the Democratic Party of Justice, by Tonka Petrova; place and date not given: "Half of the DPS Deputies Have Apartments in Istanbul"]

[Text] [Petrova] Dr. Gendzhev, is it an accident that in Bulgarian the initials of the Democratic Party of Justice are identical to those of the Movement for Rights and Freedoms [DPS]?

[Gendzhev] We established the party in January 1993 and succeeded in registering it in November. We called it a "Muslim" party and, despite the fact that there are 12

parties in Bulgaria with a Christian character, we were prevented from registering it as a Muslim party; thus, the initials DPS [Demokratichna Partiya na Spravedlivosta] were given to us. This is the reason we are demanding to use our full name.

[Petrova] What are your relations with Dogan's DPS?

[Gendzhev] When the DPS was established in 1990, I pointed out then the threat for Bulgaria. I was in that kitchen, and I know who created the DPS. It was created by the organs of the former State Security in an attempt to prevent the Turks and Muslims from voting for the Union of Democratic Forces [SDS] in the first free elections. Compromised people were installed in the DPS leadership. Why do you, correspondents, not ask Dogan who got him into Shumen University after he failed the test in Bulgarian? Delcho Kamenov, who was the rector then, got him into the university, but who demanded this?

[Petrova] Perhaps you? From 1972 until 1981, you were in the Ministry of Internal Affairs system in Shumen.

[Gendzhev] No, he was not in my field. The nickname "Sava" was given to him in Shumen. He was recruited by Colonel Staykov, head of the Construction Troops Intelligence Command, in the Mutnitsa region near Shumen.

[Petrova] You said that your party will organize economic aid for your voters. How will you do this in practice?

[Gendzhev] Our basic idea is to create a mutual assistance fund with a constituent capital of approximately $5 million, which will come mainly from the Islamic Bank. The credits will be interest free, and they will not come in the form of money but in the form of goods. You can call them natural credits. We prepared four economic plans for establishing several enterprises, and we will present them to the Islamic Bank in Jedda on 15 August.

[Petrova] You maintain that the Democratic Party of Justice is a leftist party and that you will seek the Aleksandur Stamboliyski Bulgarian Agrarian National Union [BZNS], the Bulgarian Social Democratic Party [BSDP], and the Bulgarian Socialist Party [BSP] as allies.

[Gendzhev] The Bulgarian Turks can only join a program with a pronounced social character. We must preserve the social achievements that have been gained so far, such as free education and health protection, because the people are hungry for the disintegration of the agricultural labor collectives. So far, only the BSP has proposed such a program.

[Petrova] Regardless of your program, how do you think your voters will view such contacts? After all, the memory of the "revival" process is rather fresh.

[Gendzhev] I think if the BSP makes another effort, it will finally clear itself of its totalitarian past. It is a real power, the greatest parliamentary party. Another effort is needed, as well as some new people who will improve the BSP's image. In the past, the BSDP was a real political power, but it failed to renew its leadership and part with Dr. Dertliev. They are holding onto Grandfather Dertliev, just like the Socialists once did with Grandfather Blagoev [founder of the Bulgarian Socialist Party]. They do not sense that they no longer have the necessary dynamics and dash to renew the Social Democratic Party. If they would have renewed their leadership by now, they could have stolen more voters from the BSP.

[Petrova] Will you be able to overcome the 4-percent barrier in the next elections?

[Gendzhev] It is too early to talk about percentages. I think the elections will take place on 15 October 1995. There will be no early elections. Even the SDS faction has returned to the National Assembly. The election results will not depend on what the parties promise their voters, but on what they will report to the voters. Most of the deputies do not want to part with this parliament, because if the next National Assembly begins to dig around the current deputies, a stink will rise to high heaven. There are politicians who simply must leave the political stage because they are serving foreign interests.

[Petrova] Could you mention any names?

[Gendzhev] For the time being, I will mention only two names—Dogan and [Podkrepa Labor Confederation leader] Trenchev. Half of the DPS deputies have apartments in Istanbul. They consider themselves only temporary citizens of Bulgaria. They are only waiting for their mandate to expire in order to leave the country. What interest could they have in overcoming the crisis of the Turkish population in Bulgaria. Our party could work only with people who intend to live in Bulgaria and think about Bulgaria.... There was recently an article in DUMA according to which Bulgaria is almost inviting the Bulgarians of Bessarabia and Banat. I definitely do not like this. I have information according to which the Presidency is also sending emissaries to invite those Bulgarians to live in the abandoned villages. There are two kinds of abandoned villages in Bulgaria—in Mikhaylovgrad and in the Rhodopes. If they invite them to live in Mikhaylovgrad, then this is alright, but if they are invited to come to the Rhodopes, the abandoned houses there have owners.

[Petrova] Are you concerned only with the ownership issue?

[Gendzhev] No, not only this. Please understand what I am trying to say. Let the Bulgarians from Bessarabia come, as long as this is not aimed against the interests of the Turks in Bulgaria. I want to bring economic aid to Bulgaria and prevent the departure of the Turks because Bulgaria is mine as much as it is yours, regardless of how I see myself. This is a matter of my own will, but we are also Bulgarian citizens.

Egypt's Mubarak, Delegation Arrive in Prague

NC1207171794 Cairo MENA in English 1620 GMT 12 Jul 94

[Text] Prague, July 12 (MENA)—President Husni Mubarak this evening arrived in Prague from Paris on a two-day visit to the Czech Republic, after which he will visit Slovakia.

President Mubarak is accompanied by Foreign Minister 'Amr Musa, Industry Minister Ibrahim Fawzi, Economy Minister Mahmud Muhammad Mahmud, Dr. Zakariya 'Azmi, chief of the president's cabinet and Dr. Usamah al-Baz, first Foreign Ministry undersecretary and director of the President's Office for Political Affairs.

President Mubarak was welcomed at Prague airport by the Czech foreign minister and Egypt's ambassador to the Czech and Slovak Republics and members of the Egyptian Embassy.

The president was accompanied by the Czech foreign minister to Prague Castle, where he will be welcomed by Czech President Vaclav Havel, members of the Czech Government and senior officials.

President Mubarak will be accorded an official reception.

Mubarak on Talks

NC1207204894 Cairo Arab Republic of Egypt Radio Network in Arabic 2000 GMT 12 Jul 94

[Excerpts] Czech President Vaclav Havel hosted a dinner banquet this evening in honor of President Husni Mubarak and the delegation accompanying his excellency.

President Mubarak delivered a dinner speech saluting the Czech president, noting that they are meeting for the second time in an atmosphere of fraternity and friendship. Referring to Havel's 1991 visit to Cairo, Mubarak said: We felt at that time that we were laying down the foundations of lasting and fruitful relations. [passage omitted]

President Mubarak made a statement after his first meeting with Czech President Vaclav Havel immediately after his arrival in Prague this evening. He thanked the Czech president for his warm welcome on his first visit to the Czech Republic. He recalled that the two countries' relationship goes back to 1955, when they embarked on productive economic cooperation.

President Mubarak added: We are determined to pursue this policy and boost our cooperation with greater seriousness.

He said Egypt will promote its existing relations with the Czech Republic.

He noted that, during their preparatory private discussions, the two presidents reviewed several issues, including the situations in the Middle East and Iraq and bilateral ties. [passage omitted]

Newspaper Comments on 'Havel-Klaus Duel'

AU1207141594 Prague MLADA FRONTA DNES in Czech 9 Jul 94 p 6

[Commentary by Jiri Leschtina: "The Most Recent Mutiny of President Vaclav Havel"]

[Text] The irascible reaction of Vaclav Havel, who, according to his own words, learned late and only by accident of the coming visit by the Iraqi foreign minister, again gave rise to reflections on the relationship between the prime minister and the head of state. Even the wildest speculations emerged, claiming that it was well-timed revenge of the Straka academy for the Rushdie issue—here, for a change, the prime minister learned of the writer's visit too late.

Lately, however, the conflict between the two most influential politicians seems to be ever more becoming a dispute over the character of our posttransformation society. One cannot even imagine how the two undoubtedly responsible politicians could resort to such kinds of shortsighted vendettas. This does not mean, however, that the clash of these two personalities with firm views is free of sometimes even unfathomable dynamics.

Several weeks ago, the president called off the Wednesday meetings after the government session, at which the prime minister informed him of the course the Cabinet session took. These meetings were initiated by Vaclav Klaus, who was inspired by the regular receptions of the British prime minister by the queen. The unprecedented resoluteness with which the president sent Klaus's proposal to hell indicates a lot about the increasingly tense atmosphere of the Wednesday receptions at Prague Castle.

It seems that, after more than two years of presidency, Havel decided to take a definite stand against those who are trying to squeeze him into the tight corset of the British queen, who has been, with all due respect, removed from everyday politics. Immediately after calling off the Wednesday rendezvous with the prime minister, the president unexpectedly appeared at the session of Klaus's Cabinet and announced that he would be using this constitutional right of his more often. At the same time, he began to receive at the Castle after the Cabinet sessions other ministers instead of the prime minister.

Havel also opted for a little harsher vocabulary and manners for his entry into the coalition strife over the administration reform. First, he contributed to the dramatization of the conflict by describing the situation as a serious crisis and publicly appealing to the chairmen of the coalition parties for a compromise. After the government finally and with difficulties reached some kind of compromise, the president stated with a transparent

reference to Vaclav Klaus that he "did not at all like the manner of political dealing with this superimportant topic."

-

Lifting his visor even more, in the discussions about administration reform, nonprofit organizations, or the role of local self-administration, Havel takes a stand on the side of Klaus's main adversaries, the first fiddle among whom is played, above all, by two coalition chairmen—Jan Kalvoda and Josef Lux. Hence, a certain anti-Klaus triumvirate is emerging, and the president apparently intends to play the role here of a certain *arbiter elegantiarum* in the matters of civic society. This cannot be simply overlooked in a politician who is trusted, according to the latest polls, by more than 70 percent of the population, including 90 percent of ODS voters.

Because, despite best intentions, neither Jan Kalvoda nor Josef Lux can be considered generally respected authorities, Havel will probably remain Klaus's contender number-one. At the same time, the Havel-Klaus duel is a serious and legitimate dispute over the civic-society concept that is to dominate here in the future.

The issue in question is whether we will live in Havel's autonomous democracy, based on autonomous associations of citizens, a kind of half-private and half-government institutions, which form a mediating stratum between the citizen and the state, or whether we will enter the world prescribed to us by Klaus, where the sovereign citizen is the center around which everything turns, and above is the state that guards the legal limits within which the individuals freely pursue their interests.

In other words, it is the never-ending conflict of two political visions, in which the voter is the ultimate judge. After all, only elections can decide whether the majority of citizens at this time feels the need of participating in public affairs by means of self-administration or whether it does not want to get involved in politics in the interelection period and completely entrusts the administration of public affairs to its elected representatives.

Nonetheless, we will probably never know such a clear-cut result of the Klaus-Havel duel. After all, if Vaclav Havel wanted to engage in an open duel with Vaclav Klaus, he would have to found a political party and confront before the tribunal of voters his notion of civic society with that of the prime minister.

The problem is that the idea of his own partisanship is appalling to the president. Thus, he will always be the handicapped rival in this duel because, instead of going in himself, he must send off to the battle generals of lesser stature.

Minister Views Terms of RFE Move to Prague

AU1207174294 Prague MLADA FRONTA DNES in Czech 8 Jul 94 p 2

[Interview with Minister of Control Igor Nemec by Jiri Kubik; place and date not given: "Radio Free Europe Still Has a Chance of Moving Into the Federal Assembly Building"]

[Text] Prague—Radio Free Europe [RFE] still has a chance of moving from its Munich headquarters to the former Federal Assembly building in Prague, even though U.S. President Bill Clinton agreed with this move only on 5 July—that is, after 30 June, the final deadline set by the Czech Government. The possibility that RFE might in the end move into the Federal Assembly building was conceded by Minister Igor Nemec, who has been charged by the government with negotiating this issue with the U.S. side, in an interview for MLADA FRONTA DNES.

"However, first the government would have to change its original resolution, which states that, if the U.S. side does not decide on the relocation by 30 June, tenders will be invited for a new owner of the building," Nemec said.

[Kubik] Will you submit to the government a proposal to change this resolution?

[Nemec] Most likely. To do that, however, we need some official standpoint of the U.S. side, for which we are waiting.

[Kubik] Do the original conditions for RFE still apply—for example, that it would pay only symbolic rent for the use of the Federal Assembly building?

[Nemec] No one has yet changed those conditions. The rent should really be symbolic. The operation of the building itself is rather expensive.

[Kubik] Does the condition also still apply that, in the event of its relocation into the Federal Assembly building, RFE should cover all of the operating costs as of April 1994—that is, more than 11 million korunas thus far?

[Nemec] RFE representatives themselves made this pledge. It is kind of a gentleman's agreement. Of course, no contract to this effect has been signed. I assume, however, that they will pay the expenses if they become tenants.

[Kubik] Are there any other buildings in Prague that you could offer RFE?

[Nemec] The linkage to the Federal Assembly is not a fundamental condition. The radio building in Prague-Pankrac, for example, would also be available.

[Kubik] Some time ago you declared that, should the U.S. administration agree with U.S. businessman George Soros's investing millions of dollars in this radio

station, the talks on relocation into the Federal Assembly building would be seriously jeopardized. Are these concerns still valid?

[Nemec] The government's position on this issue is firm. Should it turn out that RFE is not financed solely from the U.S. state budget but that businessmen are also involved in it, we would have no reason to grant it symbolic rent.

[Kubik] But even RFE Director Robert Gillette makes no secret of the fact that the radio station will be privatized in the future.

[Nemec] This is why the Czech Government granted the symbolic rent only for as long as RFE is financed exclusively from the U.S. budget.

Comment on Clinton Approval

AU1307082194 Prague MLADA FRONTA DNES in Czech 8 Jul 94 p 6

[Commentary by Jana Bendova: "Fruits of Waiting for U.S. Airwaves"]

[Text] Following President Clinton's approval, the road for Radio Free Europe [RFE] and Radio Liberty [RL] to Prague is almost open. For the time being, there is nothing to suggest that the U.S. Congress might veto Clinton's blessing. The Cabinet of Vaclav Klaus will definitely make a good decision if it does not insist on the original, already "missed," deadline and puts the search for a new owner for the orphaned building of the Federal Parliament on hold.

Without President Havel's contribution, the Czech Government's more than year-long diplomatic efforts to woo the two radio "ladies" to our country would definitely have been less effective. The handwriting of Vaclav Havel, who is applauded in the United States by Republicans and Democrats alike, on the U.S. President's decision is quite evident.

The advantages of RFE and RL's relocation to Prague go beyond the $40 million annually that this will bring the State Treasury. It will certainly be an honor for the Czech Republic to become the country of domicile for radio stations that have for decades symbolized, not only in Central and East Europe, democracy, freedom, and the values of Western civilization, in general.

Although the world is no longer divided by the Iron Curtain and, therefore, the radio stations will not and cannot be what they used to be, they have not lost their raison d'etre and influence completely. The Czech Republic can therefore rightly consider their relocation to Prague as a political calling card issued to it, a calling card that will be read attentively, for example, in the Kremlin.

The joy over the already half-fulfilled wish should not be overshadowed even by the fact that the move from Munich to Prague has been determined by the U.S. Administration's austerity measures more than by any other factor. The Czech Government, too, will have to think in a similarly sober manner when signing the contract with RFE, so as to be prepared for the eventuality that, at some point in the future, RFE and RL will end their mission of "emissaries" of the U.S. Administration in the airwaves and will be privatized.

Civic Initiative Elects Vachalovsky Chairman

AU1207170794 Prague CESKY DENIK in Czech 11 July 94 p 2

[Unattributed report in the "Domestic News" column: "The Civic Initiative Has a New Leadership"]

[Text] Prague—Premysl Vachalovsky was yesterday elected chairman of the Civic Initiative-Civic Commission of the Czech Republic by secret ballot. Petr Cibulka and Petr Klimes became deputy chairmen.

This was announced by Premysl Vachalovsky. The commission considers the implementation of the law on civic control of the Interior Ministry sector its top priority. Furthermore, it will advocate the abrogation of Czech National Council Law No. 279/92, which it claims creates a general screening exception for members of the former SNB [National Security Corps] and the StB [State Security]. The council members consider the division of citizens into two parts, with those who directly participated in the physical and moral elimination of society by joining the repressive units of the SNB now given an advantage by the very existence of this law, absolutely immoral, unethical, and dangerous.

Illegal Spending by Privatization Ministry Alleged

94CH0312E Prague TELEGRAF in Czech 19 May 94 p 1

[Article by Petr Bakovsky: "The Ministry for Privatization Has Illegally Spent 70 Million"]

[Text] The Ministry for the Administration of National Property and Its Privatization has, since its establishment in 1990 through the end of 1993, illegally or uneconomically made use of more than 70 million korunas [Kc] from state funds and the budget. The ministry has also violated the law on bookkeeping and other regulations.

This is clear from the report of the Supreme Auditing Office on checking up on the management of this ministry. The goal of the verification conducted by the Supreme Auditing Office was to verify the effectiveness and economy of expended resources with a focus on the year 1993. Among others, the control found that the ministry kept no property records from the time of its establishment. In 1990-92, there was not even any inventory of property taken—property owned by the ministry. This was in violation of the law on accounting practices, of regulations and proclamations on managing state

property, and other regulations. In view of the insufficient records and inventory of material, it was not possible to ascertain the actual extent of damages and losses at the ministry. In investigating the damage, moreover, even the employees of the Ministry for Privatization acted in a deleterious manner. Protocols on damage were submitted two to three months later than the prescribed 20 days from the time the damage was found. Damage was not investigated, and the ministry dealt with it by writing off the property without demanding material compensation from the responsible employee.

Poor record keeping or no record keeping is also connected with the status of the sale of surplus and useless property, which had not been subject to the conclusion of any kind of economic contracts, agreed-upon payments, and sanction conditions and liquidation protocols were also not issued and approved.

The shortcomings were even detected in the management of wage resources. According to the report by the Supreme Auditing Office, the Skalicky ministry, in violation of the proclamations, utilized Kc4.5 million of the funds transferred from the National Property Fund as extraordinary wage resources that were paid out in 1992 to employees of the Ministry for Privatization.

Management by Ministry 'Not Nationalization'

94CH0312D Prague TELEGRAF in Czech 19 May 94 p 2

[Article by iza: "Dlouhy Says Transfer of Enterprises to the Ministry Is Not Nationalization"]

[Text] Prague (iza)—The transfer of ownership rights with respect to 43 enterprises from the National Property Fund to the Ministry of Industry and Commerce is not, according to Minister Vladimir Dlouhy (ODA [Civic Democratic Alliance]), to be understood as a method of nationalization because "the process of privatization has changed nothing."

As he said, the National Property Fund was not established to manage enterprises, the long-term holding of which the state is interested in. This "long-term interest" is not unequivocally defined; in the case of some enterprises, it runs approximately from two years to times unrestricted. "The fund is not even staffed for managing these enterprises, and, furthermore, it is an institution whose existence is temporary," stated Dlouhy. The Ministry of Industry, regarding the above enterprises, will also only be executing ownership rights on the basis of a so-called command agreement, which Dlouhy signed together with the chairman of the National Property Fund, Tomas Jezek, "but the enterprises would be staying within the National Property Fund." According to Dlouhy, a lot of these enterprises are or will be privatized. "However, the privatization project stipulates the percentage of shares that will remain as the property of the state."

Agreement With Iraq 'Worth $800 Million'

AU1207174194 Prague MLADA FRONTA DNES in Czech 8 Jul 94 p 2

[Article by "tma": "Iraq Used To Be a Very Important Market for Czech Companies"]

[Text] Prague—Before the UN-imposed embargo, Czech companies occupied an important position in the Iraqi economy. According to Finance Ministry data, contracts were concluded worth $380 million, but these have not been realized because of the embargo. Baghdad has never canceled these contracts, and Czech experts are convinced that it will be possible to fulfill them shortly after the embargo is lifted.

Existing contracts represent exports worth more than 11 billion korunas [Kc]. If all of the concluded contracts were fulfilled next year, this alone would mean an increase by 1.1 to 1.3 percent in gross domestic product.

Equally significant are the government's and companies' claims in Iraq, the repayment of which Baghdad makes conditional on the resumption of economic cooperation. This concerns, in particular, more than $333 million that the Iraqi side owes individual firms and a government credit of almost $200 million. All together, some $530 million is thus frozen in Iraq, or roughly Kc16 billion.

The new Czech-Iraqi agreement on exchange of goods reckons with an exchange of goods worth $800 million.

In the past couple of months, Iraq has started offering countries on the UN Security Council the placement of a number of orders for the reconstruction of its economy. In this way, it wants to convince their governments to support the abolition of anti-Iraqi sanctions.

Warning Against Iraqi 'Bait'

AU1207182594 Prague MLADA FRONTA DNES in Czech 8 Jul 94 p 6

[Commentary by Petr Pravda: "Iraq Was Buying Our Vote"]

[Text] If we are not careful, we are on the best road to once again striking a bad deal with Iraq. During the years of commercial cooperation, we managed to sink some $500 million in the country at the confluence of the Euphrates and the Tigris. In the process of trying to recover what Baghdad owes it, the government is now risking the money not being returned at all and losing politically.

Some time ago, Iraq launched an international campaign in which it tried to convince the world that the sanctions imposed on it because of its failure to meet UN Security Council resolutions, particularly in relation to Kuwait, should be lifted. Because Iraq knows very well that it has not complied with all of the UN Security Council requirements, its emissaries are touring the world and throwing the same bait to everyone whom they consider

at all useful. They promise to be extremely generous to those who help them the most, offering crude oil, oil extraction licenses, and other lucrative orders in exchange for recognition and the lifting of the sanctions.

The Czech Republic, too, by virtue of its membership of the Security Council, has moved into Iraq's field of vision. Moreover, we do not even hide the fact that we find such interest delightful. In particular, for some time now, we have been trying quite pragmatically to prepare for the resumption of trade with Iraq, as soon as the lifting of sanctions makes this possible. We can assume that the most suitable moment is offering itself now.

However, the trade barter agreement that has just been signed guarantees almost nothing because Baghdad is playing to all sides. It promises a lot, but, in reality, it offers little because it is unable to pay, just as it claims that it has met virtually all of the Security Council requirements, even though it has not done so in the least. What is more, unlike some other countries, we cannot even make use of Iraqi deposits frozen since the crisis in the Gulf as there are no such deposits in our country. When, during his visit to Prague, the Iraqi minister [of foreign affairs] painted the vision of future business deals worth billions [currency not specified], he was casting doubt on his own credibility.

Doubts are therefore creeping into one's mind as to whether we were not too careless in lending our ears to the very remote chinking of gold coins. What is totally indisputable is that, with our feeble attempt to keep our intentions secret, which, unfortunately, also affected President Havel, we acted somewhat clumsily.

Czechs To Bear Major Cost of Pipeline

94CH0312C Prague HOSPODARSKE NOVINY in Czech 26 May 94 p 2

[Article by Olga Skalkova: "Construction of the Ingolstadt Pipeline Will Be Managed Without Participation by Foreign Oil Firms"]

[Text] The method of privatizing the refinery will have no influence on either construction or the operation of the Ingolstadt pipeline, Karel Fiedler, general director of the MERO CR Corporation, told HOSPODARSKE NOVINY yesterday. The corporation is constructing the pipeline and, as of the end of next year, is supposed to use it to transport petroleum from Ingolstadt to Kralupy. According to him, the project could be threatened only in the event doubt is cast upon the agreements to transport petroleum, agreements that have been concluded with our refineries.

Current speculation that construction of the Ingolstadt petroleum pipeline could be complicated as a result of the failure of the International Petroleum Consortium to participate in capitalizing Czech refineries was specifically rejected. He stated that considerations that one of the members of the consortium (Agip), which owns the area surrounding the location of our tank farm in Ingolstadt, could be operating in a less favorable manner regarding the requirements of the petroleum pipeline were called premature.

Construction of the pipeline was expected to cost some 13.7 billion korunas [Kc], including interest on credits. The predominant portion of these funds would come from state resources. Recent information published in the German paper DIE WELT and indicating that the International Petroleum Consortium was supposed to contribute $10 million to the pipeline construction project was commented on by K. Fiedler as follows: "I have not heard anything about such an amount. I have been told of their offer to deposit $20 million as part of the net worth of the MERO Corporation. Furthermore, foreign corporations wanted to be involved in assuring the availability of credits to finish the project and were promising to purchase the first petroleum shipments from the Ingolstadt and Druzba pipeline," Director Fiedler said further. But, as he stressed, these resources were not counted on in preparing the project. According to him, calculations indicate that the pipeline can be financed from available resources.

The influx of required resources, however, will not become topical until the end of this year, when construction on the line should begin. Meanwhile, MERO is financing the first phase of the construction on the Czech side with funds from the National Property Fund. The fund has made available Kc1.8 billion for the first four petroleum tanks at Nelahozeve, which will become operational as of 1 July.

In response to a question, Prime Minister V. Klaus said at yesterday's press conference, "The politicization that has surrounded the rejection of the entry of the International Petroleum Consortium into Czech refineries is something we absolutely do not need. I have no idea whom this might benefit." According to him, the victory of the so-called Czech way was decided with all responsibility by the Council of Economic Ministers. "To now bring this up as a card of one or another political party is incomprehensible and depressing," stressed Klaus. For the time being, the International Petroleum Consortium has not reacted to the rejection of its offer to provide capital participation in the Czech petrochemical industry.

President Kovac Makes Official Visit to Spain

Meets With Prime Minister

LD1207162894 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1500 GMT 12 Jul 94

[Text] Slovak President Michal Kovac, who is on an official visit to Spain, met Spanish Prime Minister Felipe Gonzalez today. At the end of their official talks, they took part in a joint news conference. The Spanish prime minister said that the content of his talks with Michal Kovac was very interesting. Kovac explained Slovakia's specific problems in connection with the creation of the Slovak state. He also paid great attention to the development of cooperation within the group of Visegrad Four countries and to the gradual incorporation of Slovakia into the European and transatlantic economic and security structures.

Speaks of Bilateral Relations

LD1207182894 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1630 GMT 12 Jul 94

[Excerpts] Slovak President Michal Kovac started the second day of his official visit to Spain by laying a wreath at the Madrid Square memorial for Spaniards who fell for Spanish independence and by giving a speech at the town hall. More information from Igor Skocek, our special correspondent in Madrid.

[Begin recording] [Skocek] [passage omitted] Slovak President Michal Kovac stressed that Slovakia wants good relations with all of its neighbors. He regretted that relations with Hungary were still inconclusive. He said that there was a real opportunity for historical reconciliation between both countries. Kovac said that the process of building Spanish democratic institutions was a lesson for all countries where similar institutions have existed for only a short time. At the end of his speech, Kovac said that Slovakia was interested not only in intergovernmental but also interparliamentary cooperation with Spain. [passage omitted] Kovac briefly explained the Slovak Republic's path toward complete incorporation into the system of Pan-European structures and praised Spanish-Slovak relations. The invitation of the Spanish king to visit Slovakia and the realization of the visit in the short time that had elapsed since the creation of an independent Slovak Republic was an exceptionally friendly gesture. Kovac answered a Spanish journalist's question about how Spain could help Slovakia.

[Kovac] Spain can help Slovakia in three ways. First, there is an offer, which we accepted with great pleasure, that we consult and use Spanish experience with the European Union negotiations acquired in the period of preparation for entry. These are valuable offers for us, and I believe we will take full advantage of them. Second, we are trying to gain trust for Slovakia and its policy and on this basis to gain the support of international bodies. The Spanish Government assured us of its support in this respect, which we highly appreciate, and we will try to ensure that Slovakia continues a policy that will deserve European and Spanish support. As far as the third direction is concerned, that is related to the development of our bilateral economic, cultural, educational, and other relations. [end recording]

Pittner on Opposition Attitude to Ethnic Issue

AU1207173994 Bratislava SLOVENSKY DENNIK in Slovak 8 Jul 94 p 2

[Interview with Slovak Interior Minister Vladislav Pittner in the "Blic" interview column; place and date not given]

[Text] [SLOVENSKY DENNIK] Sir, how do you evaluate the fact that the law on signposts has been passed?

[Pittner] I presented the government's bill. The deputies' bill that was passed differs from the government's only in that it was purged according to certain objections—that is, the names of villages that bear the names of Slovak personalities have been left out. As regards the objection that the list contains names from the Horthy period, the ministry has thoroughly investigated this, and it has become evident that this is not true. The proposers built on the names that had been officially verified on the basis of a list issued during the first Czechoslovak Republic in 1928 and 1929. In my opinion, the list fully conforms with the interests of Hungarian fellow citizens, as well as with Slovaks, if we have internal order and peace in mind.

[SLOVENSKY DENNIK] Are you not afraid of the situation becoming more critical, of the announced unrest, and of Balkanization owing to the influence of this law?

[Pittner] I am not afraid as regards Slovak or Hungarians living in south Slovakia. However, I am afraid of certain overtones that are being heard from the opposition deputies because anything can be misused in such a sensitive sphere as ethnic problems, of course. In fact, this is the way it began in Yugoslavia. Certain political circles began insensitively to brandish ethnic problems, and we know what the result was. I hope that the Movement for a Democratic Slovakia and the Slovak National Party will simply reconsider their stances and will not stir nationalist passions.

Egyutteles Approves Tripartite Coalition

AU1207120694 Bratislava SME in Slovak 11 Jul 94 p 2

[Article by "(dos)": "Egyutteles Agrees With Expanding the Bipartite Coalition to a Tripartite Coalition"]

[Text] Bratislava—At its session in Diakovce on 9 July, the Egyutteles Nationwide Council approved the text of the coalition agreement with the Hungarian Christian Democratic Movement [MKDH] and the names and order of Egyutteles candidates. It also discussed other

issues concerning the elections and the preelection campaign. Egyutteles Deputies' Club Chairman A. Duka-Zolyomi told SME that there was an intense discussion on the issue of forming a tripartite coalition with the MKDH and the Hungarian Civic Party [MOS]. The Egyutteles Nationwide Council agreed with the outcome of the negotiations so far and entrusted the negotiating team led by Egyutteles Chairman M. Duray with completing the negotiation process and concluding an agreement on a tripartite coalition. It also laid down the conditions by which it should be governed so that not only a tripartite coalition for the parliamentary elections is formed, but also solid trilateral cooperation is ensured. These conditions proceed from the resolution adopted by the previous Egyutteles Nationwide Council meeting in Lucenec, but, according to Duka-Zolyomi, compromises were made during the negotiations with regard to some of the former firm conditions. However, Egyutteles still insists that representatives from the MKDH and Egyutteles must approve the candidates proposed by the MOS. Duka-Zolyomi confirmed that there are individuals among the MOS representatives who are unacceptable to Egyutteles.

Communist Party Resumes Contact With Leftists

AU1207131194 Bratislava NARODNA OBRODA in Slovak 11 Jul 94 p 2

[TA SR report: "Communist Party of Slovakia: We Were Willing To Assume Successorship, but..."]

[Text] Bratislava—We were willing to assume successorship to the former Communist Party of Slovakia and all of the obligations that arise from this with regard to the state, but our financial situation, among other things, did not make this possible. So, the only legal successor to this party is the Party of the Democratic Left [SDL]. This statement was made by Communist Party of Slovakia [KSS] Chairman V. Dado in an interview for TA SR.

The KSS has made it possible for those who were expelled from it after November 1989 to regain their party membership (returned to Gustav Husak In Memoriam). Other functionaries from lower-level bodies in the former KSS—for example, M. Krajcir, L. Fekiac, and I. Janak—have also applied.

The KSS has resumed contact with left-wing oriented political entities in the Slovak Republic. Dado made a personal visit to L. Bystricky, deputy chairman of the Social Democratic Party of Slovakia. They came to the conclusion that the two parties have very similar aims; the difference is in the way they want to achieve them. In a telephone conversation, he asked P. Weiss for an opportunity to thank the SDL deputies for deciding not to support in parliament the adoption of a law on anticommunist resistance. In a subsequent meeting with SDL Deputy Chairman D. Dorotin, the KSS representatives were assured of the SDL's course of action in voting on this law. The SDL, however, has not accepted an offer of closer cooperation with the KSS, but, if so, then only on the district level in the case of the local elections, explained Dado.

Moravcik in India, Meets With Prime Minister

AU1207183294 Bratislava SME in Slovak 8 Jul 94 pp 1, 7

[Article by Maria Hluchanova from Delhi: "There Can Be No Talk of Increasing Deliveries of Our Weapons to Pakistan"]

[Excerpt] Delhi—An official visit by a Slovak delegation headed by Prime Minister Jozef Moravcik to the Republic of India started yesterday. Other members of the delegation are Ministers Peter Magvasi and Pavol Kanis, State Secretary at the Ministry of Foreign Affairs Dusan Rozbora, and Slovak National Bank Governor Vladimir Masar.

The highlight of yesterday's talks was Jozef Moravcik's meeting with Indian Prime Minister Narasimha Rao. Their conversation concerned the possibilities of intensifying economic cooperation, especially by means of reviving mutual trade exchange. A positive factor in this respect is the systematic offensive by our producers of special equipment. Contracts worth approximately $40 million have been concluded with India in this sphere to date. According to our information, substantially more extensive and lucrative offers are in the works.

As it transpired from the talks, the situation in mutual trade would benefit from the establishment of Slovak honorary consulates in Indian economic centers. Thus far, India approaches this proposal cautiously because it sensitively reacts to information about the possibility of Slovak heavy weaponry being sold to Pakistan. Moravcik said in this context that the issue of the export of our weapons to Pakistan was not a topic of his talks with the Indian prime minister. Should this issue be raised in subsequent talks, he said that the Slovak side would continue so as not to upset mutual relations. However, there cannot be talk about increasing exports [of Slovak weaponry] to Pakistan. [passage omitted]

Indian Interested in T-72's

AU1207131294 Bratislava NARODNA OBRODA in Slovak 9 Jul 94 p 6

[TA SR report: "Prime Minister Jozef Moravcik Continues Visit to India"]

[Excerpt] [Passage omitted] Mallikarjun, minister of state for defense, confirmed that his country is interested in the latest version of the T-72 M2 tank, which it would like to manufacture jointly with the Slovak Republic.

Czech-Slovak Customs Union Considered

94CH0311D Bratislava HOSPODARSKE NOVINY in Slovak 23 May 94 pp 1, 4

[Summarized from "Proposal for Customs Policy" by Julius Toth: "A Customs Union—Yes or No?"]

[Text]

- *Three views on the suitability of a customs union between the Slovak Republic and the Czech Republic*
- *Considerations of the disadvantages of a customs union in the area of the Slovak Republic Ministry of Finance*
- *The Ministry of Economics of the Slovak Republic is distancing itself from these views*
- *The current Slovak Republic Government has, for the present, not cast any doubt on the customs union*

Economic integration is very closely connected with other integrational activities that are conditioned upon each other and are mutually supportive. If the higher steps of integration are to be successful, they require broader social political and cultural definition.

A significant task is also the correct analysis of the depth of the regional economic integrational processes and the correct evaluation of various integrational activities. The degrees of integrational initiatives occur in the following developmental categories:

—collaboration between the cores of economic activity and the formation of axes of collaboration;

—regional cooperation and coordination;

—a free trade zone (elimination of trade barriers);

—a customs union (also foreign tariffs are common);

—a common market (a customs union with a free flow of capital and labor);

—an economic union (including the coordination of economic policy and market regulation);

—a monetary union (firm exchange rates with a single common currency);

—an economic and monetary union (a combination of both forms);

—a full economic union (the highest degree of common decisionmaking, also requiring a political union).

After foreign trade was liberalized in the former CSFR, customs duties became an important instrument for regulating imports and protecting the domestic market. In a market economy, customs duties also play an important price-forming role. The practical consequence of applying this trade policy instrument is financial benefit for the budget or impact on individual manufacturers and importers.

As a result of current customs concessions within the framework of free trade zones with the European Union, EFTA [European Free Trade Association], CEFTA [Central European Free Trade Association] (V4), and Slovenia, as well as resulting from the creation of new trade zones (contemplation is being given to Romania, Israel, countries of the former USSR), additional customs barriers will be removed. Therefore, it is necessary to devote special attention to agricultural production. At the present time, when there is a food crisis in the countries of the former Soviet Union, which presents an increased threat to the security and stability in Europe, it would be a great mistake to permit domestic agriculture to be a ruin.

Within the framework of the customs union, a common market area has developed between the Slovak Republic and the Czech Republic in which the free movement of goods and services is possible and where customs duties have been eliminated and quantities restricted. This has resulted in the importation of commodities that are even in surplus in the Slovak Republic—that is to say, live animals, alcoholic beverages, tobacco products, animal and plant fats, milk, potatoes, etc. There are also signals indicating that some agricultural enterprises are selling grain and corn directly to the Czech Republic, with Government Regulation No. 570/1993 exempting the importation of 700,000 tons of grain from import duties for the purpose of balancing the deficit.

And the share of products requiring a higher degree of financing has not increased. We have continued to export disproportionately high volumes of raw materials and semifinished goods to the Czech Republic—grains, corn, beef cattle, vegetables, wine—given high return import figures for mostly final products: beer, spirits, pork and poultry meat products, tobacco products, nonalcoholic beverages, fats and margarine, candy, chocolate, dairy products, coffee, tea, potatoes, flour, meat products, pastries and bakery products, canned goods, vinegar for table use. Last year, the export of foodstuffs from the Slovak Republic to the Czech Republic amounted to about 56 percent of the volume of imports from the Czech Republic to the Slovak Republic.

In view of the agreement to have a customs union, there should be no fundamental differences in the quoted items (something that is not possible, given the differing structures of the economies of the Slovak Republic and the Czech Republic). In preparing the amendment to the licensing regulation in the fall of last year, disproportions occurred mainly in the areas of nonautomatic import licenses. The Slovak side proposed that even margarine and nonalcoholic beverages be included in the list because they were not included in the Czech Republic proposal. The Slovak side insisted on their inclusion because of the enormous growth in their imports and their increased use of foreign exchange resources. On the other hand, a surplus of goods produced by domestic manufacturers has, in the final analysis, an influence also upon employment in the Slovak Republic. In view of the

lack of interest on the part of the Czech Republic, the above-listed commodities were not included in the listing.

Because the above-listed licensing system is not being applied between the Slovak Republic and the Czech Republic and because, in the case of commodities, it is difficult or rather impossible to prove origin (for example, raw timber, lumber, scrap metal, various substrates such as sand, fertilizer, some agricultural products), there occur undesirable reexports to third countries or even reimports from third countries. These gaps last year were noted primarily with respect to raw timber and scrap metal.

For purposes of a functioning customs union, it is not enough to have merely a common body of customs legislation. There must also be legislation in other sectors of economic policy—in foreign trade, protecting economic competition, protecting patents, the question of government orders, technical standardization, the monetary and fiscal areas, the problem of dumping, procedures governing antidumping proceedings, the regime of protective measures, etc. Such a joint modification is of significance not only for the parties to the union but also for trade partners—that is, for third countries—and the extent of these measures actually impacts upon the concepts and decisions involved in the independent economic policies of member countries. The above extent of legal standards will be difficult to coordinate because the new concepts of economic policy in the Slovak Republic and the Czech Republic differ in their proposed measures and instruments. The core of the problem lies in the fact that a functional customs union can be created only by partners whose economic standing is approximately equal. If the forces are not equal and the level of production costs differs, the market will be governed by the stronger partner at the expense of the weaker. In the case of weak partners or partners having a decidedly different structure of production, there will always be pressure for the assertion of a different economic policy from that of the partner.

The functioning of a customs union in its current form is a sort of combination between the classic perception of a customs union and a free trade zone. Because of the differing level and structure of the economies of the Slovak Republic and the Czech Republic, one must consider its further justification and give preference to the creation of a zone of free trade within the framework of a Central European agreement and free trade between the V4 countries. This means that, during the transitional phase, customs duties should be gradually eliminated, as should other nontariff barriers in mutual trade between the signatory countries. Upon conclusion of the transition phase, neither customs duties nor nontariff barriers involving industrial products should exist, with agriculture having special standing; complete liberalization would occur in the subsequent period.

The recent creation of an integrational connection between the United States and Canada and Mexico was accomplished through the form of a free trade zone and not a customs union. And this was so despite the fact that Canada is much stronger and has a production structure that is similar to that of the United States. On the other hand, history is replete with accounts of collapsing customs unions, whether in Central or South America or in Africa. The only well functioning customs union is Benelux, which has been in existence since 1948.

National Council Amends Laws on Employment

AU1207161694 Bratislava PRAVDA in Slovak 9 Jul 94 p 2

[Article by Stefan Hrcka: "A Parliamentary Mess"]

[Excerpts] [Passage omitted] After a debate, the National Council of the Slovak Republic [NRSR] passed a bill to amend some legal provisions in the sphere of employment, and this will come into force on 1 August 1994. Three laws are being amended: the law on employment, the Slovak National Council law on the activity of the Slovak Republic's bodies in securing employment policy, and the NRSR law on the Slovak Republic's Employment Fund and on amending and completing certain other laws. By this triple amendment, more room is being created for more flexible and efficient support for the employment of, above all, school graduates, minors, and the long-term unemployed. [passage omitted]

The NRSR bill on measures in the field of inventions was also approved yesterday. The bill will come into force on 1 August and will stop the state's administrative activity regarding patent applications. [passage omitted]

Tokes, Kovacs Interviewed About Basic Treaties

LD1007110294 Budapest Kossuth Radio Network in Hungarian 0705 GMT 10 Jul 94

[Interview with Foreign Minister Designate Laszlo Kovacs, Hungarian Socialist Party member, and Istvan Szent-Ivanyi, Alliance of Free Democrats member, by unidentified correspondent from the "World Clock" program—live]

[Excerpts] [Announcer] Laszlo Kovacs, and Istvan Szent-Ivanyi met Romanian Foreign Minister Melescanu in Warsaw. The future Hungarian foreign minister indicated that the action of Cluj Mayor Funar to move St Matthias' statue from the main square does not promote improvement of relations of the two peoples and countries. What is the state of affairs regarding the basic treaty now?

[Kovacs] The new government's foreign policy takes as its starting point the fact that Hungary must live together with its neighbors; there is a mutual interdependence between Hungary and its neighbors. It is not worth exerting pressure, it is not worth isolating neighbors, to slow down their joining Europe, because these things not only create a difficult situation for bilateral relations, but they also put the Hungarian minority living in the neighboring country in a very bad situation.

What is the solution? The solution is we must strive for the normalization of relations. We must bring about—perhaps it seems like a big word—an historic reconciliation. The reason I use this expression is because here there are tensions connected also with historical grievances—not exclusively, but also with historical grievances, for example, in Hungarian-Slovak and Hungarian-Romanian relations.

The issue of the basic treaty: In fact, the basic treaty is in no way an end, merely a means to an end, a means for improving relations, but it is not an indispensable condition for it. We can give a lot of examples for extremely good relations existing between two countries without a basic treaty between them.

The reason why the issue of the Hungarian-Romanian and Hungarian- Slovak basic treaties is on the agenda is because two of our neighbors would like to conclude basic treaties of this kind. What is more, they virtually regard it as the starting point for the building of relations, the improving of relations. If that is the case, then I think Hungarian foreign policy has to start from this fact and it must not seek ways of avoiding the conclusion of the basic treaty, because there is no danger in this basic treaty. We must examine how we can conclude a basic treaty, which will really promote relations, will solve the problems, and exclude any likely problems.

That is why we say—and both the coalition partners, the HSP [Hungarian Socialist Party] and the SZDSZ [Alliance of Free Democrats], agree—we must conclude a basic treaty, which in addition to marking out the direction and framework of cooperation in all the important areas of relations, will definitely also settle two things with which it is possible to create a conflict in this region.

One thing is the issue of borders. We think it is not possible to avoid the re-recognition of borders in the basic treaty, or to put it more precisely, the declaration of the inviolability of borders; the reciprocal renunciation of territorial demands. This is a very important issue for both our neighbors. It is true Hungary has never questioned the borders, but for this very reason it is also true that if we do not question the borders, then we have no rational reason to avoid doing so for even the 111th time.

The other issue which has caused a great deal of problems in this region in the past, and hopefully we will get to the stage where it will no longer cause any problems, is the question of the rights of minorities. For this reason, in the basic treaty, likewise, we must not avoid the declaration that the two sides to the treaty accept a mutual commitment to recognize the rights of national minorities living there in the spirit of the European documents and norms, to guarantee them constitutionally in that manner and to assert them in practice in like manner.

These are two issues by which the basic treaty stands or falls. If we manage to settle these two issues in a reassuring way, then naturally the basic treaty can be signed, and then this basic treaty will really serve the interests of the two countries, the two peoples, including also the fate of the national minorities living in each other's countries.

[Announcer] Does the SZDSZ have a different concept, for example in the question of autonomy? [passage omitted]

[Szent-Ivanyi] I would like to stress that not only in this issue, but in all the essential foreign policy issues, an agreement has evolved between the standpoints of the two parties. This was no great miracle, since in the past year and a half, two years, agreement was reached between the two parties in these issues. So, the SZDSZ does not have a divergent standpoint on the basic treaty.

However, I would like to add one thing by way of a supplement—I stress supplement, not in contradiction to what has been said: Naturally we are aware, both coalition partners are aware, that the conclusion of the basic treaties does not depend only on Hungary. We have never tried to create the appearance or the illusion that these basic treaties could be brought into being by any means, within a short period of time, without any difficulties. What is more, we have even said that we give different chances to each country—we do not have to go into the details of what these chances are in the case of each country—for this basic treaty to be able to come into being. One thing must be clear, from the part of Hungary there is in every direction an equal intention and readiness that we should be able to conclude the

basic treaties upon those bases that Foreign Minister-designate Laszlo Kovacs outlined.

[Kovacs] The St. Matthias statue in Cluj-Napoca [Kolozsvar], or rather the excavations, and the name of Cluj Mayor Funar have also been raised. I would like to say that we made use of the Warsaw meeting for bilateral meetings as well. We met Romanian Foreign Minister Melescanu, among others. After reviewing the most important issues in the two countries' relations, both sides reaffirmed that we must take our interdependence as the starting point and not the historical grievances.

We also raised that while fortunately the extremist forces have been squeezed out of the Hungarian parliament, in Romania, meanwhile, there are actions of this kind which seriously endanger the reconciliation and which make this process impossible, or at least put very serious difficulties, obstacles, in the way of this process of reconciliation.

The Romanian foreign minister's reaction was to say that he considered this action illegal, that is to say the excavations, and he would send a signal back home that we had raised this problem. To which we said that if that is so, then the Romanian Government here has a possibility, an opportunity, to show that it does not agree with this action. What we would consider a good thing is that the Romanian Government did not keep quiet, but publicly brought this to the notice of Funar and Funar's group.

Some advance has happened since then, for these actions have now been suspended. [passage omitted]

Hungarian Parish Disavows Criticism of Tokes

94CH0329A Budapest ROMANIAI MAGYAR SZO in Hungarian 17 Jun 94 pp 1, 8

[Article by Arpad Gazda: "In Lugos, the Congregation Is Not Involved—in the Home Territory of Laszlo Tokes' Attacker"]

[Text] The written statement, which was addressed to Victor Opaschi, adviser to the president (and onetime official in Ceausescu's cultural ministry) and was signed by Reverend Istvan Higyed and two secular officials of the Reformed congregation of Lugos, questioning the legality of Laszlo Tokes' appointment as bishop did not reflect the view of the Reformed congregation of Lugos. Indeed, as Laszlo Tokes, Istvan Higyed, and the congregation learned at their clarification meeting on Sunday, it did not even reflect the opinion of the signatories. Church warden Istvan Csaszar admitted with embarrassment that he did not know what he signed, did not read the written statement presented to him by Reverend Higyed. Chief warden Balint Kis, too, had only oral information regarding the contents of the written statement, but stood behind his pastor nonetheless. Despite the latent tensions, the debate took place in a sober and clarifying atmosphere. All this deserves mention because it had seemed to many people that the tension between the congregation of Istvan Higyed, pastor of Lugos and onetime deputy bishop, and the Nagyvarad [Oradea] episcopate could not be relieved.

The Office of the President has not replied to the written statement but offered a perfect opportunity for the press to launch yet another anti-Tokes campaign lead by the weekly TINERAMA, an opportunity to claim again that Laszlo Tokes is both a Hungarian spy and a Securitate informer, that he advocates the annexation of Transylvania, but at the same time is also Ion Iliescu's stooge, who offered him the bishopric as a sign of his recognition, etc.

Istvan Higyed stated before the congregation that he does not question the legality of Laszlo Tokes' appointment as bishop and that he was interested in the circumstances of his Temesvar [Timisoara] appointment only as a church historian, but he also noted that there is no precedent in church history where an assistant minister became a bishop. On the other hand, he did not provide an answer to the question why he had to involve the congregation's secular leaders in his research into church history. He expressed his consternation and apprehension because of the press commentaries related to the written statement. Following the debate, he told our correspondent that he had no idea how TINERAMA got hold of his statement. He had had no intention of making it public and had not realized that it might precipitate another anti-Tokes campaign. The truth of the latter statement is made somewhat questionable by the retrospective statement from Laszlo Tokes in which he places the Lugos statement into the context of Istvan Higyed's earlier manifestations.

Istvan Higyed was one of the four ministers who did not support the crusade against bulldozing villages initiated by Laszlo Tokes in the Temesvar diocese (back in September 1988); he was the one able to make a three-month tour to twelve West European countries in the summer of 1989, in the course of which he met with Iosif Constantin Dragan and others; he was the one who wanted to speak in Romanian at the conference of Reformed Church ministers in October 1989 so that the representatives of the Ceausescu regime who were present could also be informed without hindrance; he was the one who requested an investigation of the finances of the Reformed Church of Temesvar in October 1989 (when its bank accounts were frozen by order of the Securitate) and who raised the question, "Is the patience of the state authorities toward Laszlo Tokes infinite?"; he was the one who expected to fill the post of minister in Temesvar and who appeared in Temesvar on 1 December 1989 in the company of representatives of the Ceausescu regime to take over the church duties from Laszlo Tokes who was resisting exile to Szilagymenyo.

As Laszlo Tokes told us, he wanted to forget, and would have forgotten, those injustices if only the Lugos minister had not continued his actions against him. Interestingly, the actions previously served the endeavors of the Ceausescu regime and now serve those of the Iliescu regime. He stated that he came only to defend himself against the attacks and does not wish to "break the neck" of this Lugos minister who is close to retirement. The congregation was relieved to hear that, all the more so as Istvan Higyed is considered in Lugos to be a good pastor:

he is knowledgeable, a good speaker, a good organizer, and keeps everything in good order at his church. As Ibolya Borbely Kovacs, a member of his congregation, said: "Every member of the Reformed Church is proud of Laszlo Tokes, and every member of the Lugos parish is also proud of Istvan Higyed."

Perhaps the most succinct definition of the wrongdoings related to the written statement—which can be established regardless of awareness or even intention—was offered by retired teacher Istvan Simon and RMDSZ [Democratic Union of Hungarians in Romania—UDMR in Romanian] politician Miklos Bakk: "It was a blow to church autonomy and to our own ancient traditions," "It provided an opportunity for the Office of the President to interfere with our own affairs"; at the same time, by libeling Laszlo Tokes, it contributed to the destruction of the unity of Hungarians in Romania and that of the RMDSZ (which is desired by the regime) and created the appearance of reflecting the opinion of the entire Reformed congregation of Lugos.

No one objected to Istvan Simon's proposal that the congregation make a public statement regarding all this.

Computer System Planned for World's Fair

94CH0328A Budapest MAGYAR NEMZET in Hungarian 20 Jun 94 p 12

[Interview with Csaba Csapodi, director of the World's Fair Program Office's telecommunications and information division, by Csilla Halasz; place and date not given: "Computers for Public Information—A National News Network Is in the Making"]

[Excerpts] *The plans for the World Expo's computerized information system were presented to experts a few days ago. They were jointly prepared by KFKI [Central Research institute of Physics], Szamalk, and MTI [Hungarian Telegraph Office]. We talked with Csaba Csapodi, director of the World's Fair Program Office's telecommunications and information division, about the public benefits of the system and about the experts' evaluation of the plans.*

[Halasz] How did MTI join the KFKI and Szamalk planning team?

[Csapodi] Last year we announced bidding for a plan for the World Expo's telecommunication and information system. KFKI and Szamalk presented, and won, a joint bid for the latter. It was our wish that MTI should also be included because maintaining relations with the press, both at home and abroad, is an important part of the information system, and MTI has had a lot of experience in that.

[Halasz] What do you think this system will consist of and whom will the information benefit?

[Csapodi] We are setting up a system that will serve the visitors mainly through providing information on the Expo and related programs. It will show the locations and the best ways of transportation, and it will also inform the guests which pavilions it would be advisable to buy tickets ahead of time for in order to avoid waiting in long lines. We also developed a system for finding lost children and articles efficiently. The second main system will include the services for the exhibitors. It will show parking spaces as well as lodging in and around the Expo, as we must arrange for the accommodations for the exhibitors. For the officials, there will be a on-site operative system, which will include information on who is entitled to what. It will also support the admission system, as well as store the most important medical information on the officials and exhibitors. In order to provide fast medical assistance, we will also establish and maintain close contact with hospitals. The on-site operative system will control the accounting of the concession stands, i.e., the deposits of the required percentage of their proceeds into the Expo account. Keeping track of the programs will be the purpose of the fourth main system. It will include information provided by telecommunication equipment. Finally, there will be an of Expo control system, which will include management, supervision, and equipment and personal data systems. [passage omitted]

[Halasz] The central equipment will be located in the administration building, which will be transferred to ELTE [Lorand Eotvos University of Sciences] after the Expo. Does this mean that the university will also receive the purchased hardware equipment?

[Csapodi] The reason we will be using that building for the equipment is that the university will later set up its computer center there. However, we do not wish to purchase the computer equipment from the distributors, we will only lease it. According to our present plan, the distributors will have to take care of the post-use of the equipment; that is how we will announce the bidding. Thus the university may purchase the equipment. However, right from the beginning, we will develop the communication network that is part of the system in such a way that ELTE will also be able to use it later, i.e., the telecommunication infrastructure thus developed will in its entirety be transferred to the university.

[Halasz] What do the preliminary figures show as to the cost of building the information system?

[Csapodi] I cannot yet tell you any figures, for we will announce bidding for both the hardware equipment and the building of the basic systems, and we will choose the bid that is the most favorable financially. However, all the experts think that this is the area where we must not be frugal with money. The essence of the World Expo is to provide our country with adequate publicity and to call attention to Hungary. Therefore, the noticeable part of the information system, which will be conspicuous for the exhibitors and the visitors, must be state of the art.

Ex-NATO Official on Role as Military Adviser

WS1207130094 Warsaw POLSKA ZBROJNA in Polish 11 Jul 94 pp 1-2

[Interview with General Henning von Ondarza, former commander of NATO Joint Armed Forces in Central Europe and current adviser to the national defense minister, by Colonel Jerzy Markowski; place and date not given: "My Desire Is To Be Useful to Poland"]

[Excerpt] [Markowski] [passage omitted] My first question is this: You have already visited Poland twice this year, and you held talks with supreme Polish commanders and with the defense minister. Could you please evaluate these talks, especially your most recent ones?

[von Ondarza] There is really no difference between my two trips to Poland. They both come under the same concept, which, by the way, is a very stable one because Poland, through its representatives, has been trying with all possible means to actively participate in the integration of forces throughout Europe. I think it is a strategy that is correct in every sense because it has been conducted in various directions, not just in the military, security, political, or economic areas, and is also directed at a wide variety of organizations.

I fully and completely agree with that kind of approach. It is not absolutely necessary to become a member of NATO or of the Western European Union [WEU] immediately, effective right now. Association and partnership are very important first steps because, after all, they lead to the same goal: the joint construction by East and West of a new Europe and a new security system.

[Markowski] In recent years, you served in an important post in the Central European region, which was where the most dynamic changes took place at that time. As a military commander, what is your evaluation of these changes?

[von Ondarza] I terminated my service as a NATO commander in the region on 1 March of this year, but you have to keep in mind that, beginning back on 2 January 1956, I took part in the establishment of the Bundeswehr, which means I witnessed various stages of changes and various tasks with which the Bundeswehr and NATO were charged. Participation in these changes was exciting to me, as well as reacting to them to a lesser or bigger degree—for instance, through the establishment of new command structures, which, for a long time, remained my fundamental task in Central Europe. The same applies to eliminating old structures that did not suit the new reality. So, currently, we have just one command structure—Allied Forces Central Europe [AFCENT]—with the subordinate commands of land and air forces and the Allied Forces Baltic Approaches command, which covers the Danish straits and Jutland area, and which was transferred in January 1994. That is one side of the coin.

The other side is that we changed the planning of our exercises and training methods to adapt them to new and much more wide-ranging tasks, even though the fundamental task has not changed: to be capable of defending our countries and our citizens. A second, additional task is made up of peacekeeping operations and humanitarian measures. All of these missions result in an important role being assigned to us military men, even though the most important role is performed by politicians. Still, we are the ones who implement the decisions of politicians, and we must carry them out with complete professionalism.

Obviously, cooperation with East European countries has become a new task for our command structures in the region; the task represents an enormous change. My staff and I have vigorously supported the cooperation because I think it is extremely crucial. The initiation of this cooperation, by meeting with as many representatives of these countries as possible for the purpose of establishing trust, mutual understanding, and getting to know one another, became a key issue to me. That is of fundamental importance. Only then can we look for other forms of cooperation as the next step.

I can say with a great deal of satisfaction that, when it comes, for instance, to Polish-German military contacts at the Defense Ministry and chief-of-staff level, they have developed very well, and individual Polish and German military units are already in close contact with one another at this stage. It is a result of the same philosophy. These contacts must be deepened, I continue to stress, through meetings among military families—for instance, during joint social activities. I know for a fact that you have been applying this with much success when it comes to the Italian Armed Forces, and, after I return to Germany, I will do everything possible to make such exchanges happen between us, too, especially when you consider that there are hundreds of splendid vacation spots in both Germany and Poland.

[Markowski] The point is to get to know one another better...

[von Ondarza] Of course. I will not let anybody tell me that there is a language barrier. That aspect has been changing very rapidly. I have met quite a few officers in Poland who speak fluent English, while many others, such as yourself, speak excellent German. So you can see it is no problem at all.

[Markowski] Speaking about people, Poles, Czechs, and Hungarians have a strong feeling of insecurity. Do you think this feeling is justified, or do you perceive it as a demonstration of national frustrations?

[von Ondarza] Well, that depends primarily on the national evaluation of the situation around a given country. There is no doubt about one thing, but I am not going to say a lot about that because I am German: Our minister has repeatedly stated in very clear terms that the NATO area and the area of security cannot end at Germany's eastern border. Naturally, this does not just

have a political dimension, but is also a result of historical factors and factors of tradition. My view is that one cannot introduce distinctions among our nations into Czechs, Hungarians, or Germans. We are all derived from the same root.

So, as I said at the beginning, the approach that one takes on this issue is what is important. That is why, looking from Poland's perspective, one should actively participate in the greatest number of initiatives possible that would lead to integration in all areas where that is technically possible. That will result in a feeling of security.

[Markowski] In your view, how important is Russia in Central Europe, politically and militarily speaking?

[von Ondarza] There are many different opinions voiced on that, but they are just opinions. I can no longer see any force that Russia could use to make something major happen. On the other hand, there are at least three other reasons for which there is no going back to the past: We, including Russia, have a major chance currently. In addition, we have to admit that there are many domestic changes taking place in Russia, as well—the last time I was there was four months ago—including a major reduction in their huge Armed Forces.

From a political standpoint, we should realize that we cannot build a European home while, at the same time, excluding Russia from the process. Many countries share this approach. So we are very glad to see Russia join "Partnership for Peace," as well. When it comes to nuclear danger, some form of a consensus should be reached, too, which would be based on special Russian-U.S. relations. We can see by what happened in the Balkans that Russia is indeed capable of playing a positive role, and that means we can build a home together.

[Markowski] You were regarded as an advocate of the Polish case in NATO. German Foreign Minister Klaus Kinkel and Defense Minister Volker Ruehe are also such advocates. What interest does Germany have in providing such strong support for Polish efforts to join NATO and the WEU? I am asking this because it is hard to believe in someone not being guided by his own political interests.

[von Ondarza] I think that the dramatic, historic changes we went through are a fact. We should actively widen the scope of those changes. On the other hand, they provided us with an opportunity for stabilization. We should all be interested in such stabilization—France, the Netherlands, Germany, England, your country, the Slovak Republic, Hungary. All countries should be very much interested in Europe's security and stability. That is an important reason. If someone wants to call it a selfish reason, let it be so. Still, it does not change the fact that it is a solid basis for establishing good rapport, for economic exchanges, for investing in plants, for developing modern industrial branches, which means that, altogether, they foster confidence in the development of a country, trust in technological exchange, and so forth. If there is someone who wants to call it a selfish reason, let him do so. What I think, however, is that what I described is in the interest of all of us because these are key items, with stability being the primary one. There is a very realistic factor involved in that, as well—namely—and let me add that I have been seeing it raised in many debates in Germany—after the unification, all of a sudden we noticed that we are right in the middle of Europe. There is no other country to have so many neighbors around itself. If Germany were to be isolated, that would be the most dangerous problem for the country. Because we are located in the center of Europe, we must create genuinely close ties and connections with our neighbors. The Poland-Germany axis, is very—I repeat, very—important in those ties.

[Markowski] Military cooperation must also be present in the development of Polish-German relations. Is it possible to include a Polish unit in the Eurocorps, or, using the French-German brigade as an example, would it be possible to form a Polish-German brigade?

[von Ondarza] The possibilities of that depend on political decisions. If politicians give the go-ahead, there will be no problem in making these possibilities happen. I am saying that because I was in charge of the implementation of the concept of a French-German brigade. For the military, there is no problem; it is just a political issue. I think it is a realistic model that we will all see happen in the not-too-distant future, and it will be debated at the highest political levels. Prior NATO membership has nothing to do with it. If we take a look at the French-German brigade, we will see that its origins were not in NATO at all, but, rather, the brigade was formed under WEU auspices on the basis of a bilateral agreement.

It is a very interesting model to follow, and it is possible that, provided we keep traveling the same road eastward, it will make it possible to establish some form of Central European corps. To be realistic, however, my view is that one should start off at a lower level.

[Markowski] Your are quite familiar with our Armed Forces. What is your evaluation of these forces compared with NATO armies?

[von Ondarza] I would rather answer that question a little later. I do not think I know your Armed Forces well enough at the military unit level.

[Markowski] That is hard to believe. As the commander, you used to receive a lot of information...

[von Ondarza] There is a big difference between knowing units as numbers on the map only and seeing them in action. I have attended exercises involving commanders and staffs in the Pomorze Military District, and I think the General Staff carried them out excellently. Below that level—we are talking about companies, battalions, and regiments—I will have an opportunity to see them in action in the future. At that point, we can return to your question.

[Markowski] A few hours ago, you became adviser to the Polish national defense minister. What will be the range of topics on which you will be advising?

[von Ondarza] I will be coming here from time to time, thus establishing a certain liaison between NATO and Warsaw and between Bonn and Warsaw. Of course, I will not be competing with embassies or missions. I will be performing my humble role as far as my experience allows me to, in order to explain to your defense minister those specific issues about which he may address me. I am happy that he accepted my role, and I must say I feel honored by that. I myself came up with the initiative, and I am convinced that I will prove useful, if only to a limited extent.

[Markowski] Thank you very much for the conversation.

Industry Minister on Policies, Strikes, Post

WS1307104594 Warsaw TRYBUNA in Polish 13 Jul 94 pp 1, 8

[Interview with Polish Industry and Trade Minister Marek Pol by Mieczyslaw Wodzicki; place and date not given: "A Minister Is Like an Explosives Technician—He Can Make Just One Mistake"]

[Text] [Wodzicki] The party of which you are a member, the Union of Labor [UP], has recently decided to join the opposition, whereas you have remained in the government and suspended your political activities. Did you set any terms during talks with Prime Minister Pawlak and Deputy Prime Minister Kolodko?

[Pol] No, I did not set any political terms. The objective of the talks was rather to clear up Prime Minister Pawlak's position on the work I have done so far, as well as expectations regarding the ministry's performance and possibly regarding me personally, as well. In essence, the talks were about assessing the new situation with which both gentlemen were faced.

[Wodzicki] What rationales or reasons were behind your decision to remain in the government?

[Pol] Definitely the fact that the prime minister and the deputy prime minister asked me not to contribute to a situation of yet another change in the post of industry minister. That would definitely not be a good thing to happen in that sector. Also, I do not hide the fact that my colleagues from UP helped me make the decision. They did not say it was a life-or-death decision, they said no decision would be good, but they also said that, whatever I decided, they would take it with understanding. That is what really happened.

[Wodzicki] Your ministry is not the easiest to manage. How does it feel to be a minister without political backing? Did that not weaken your position in the government or the position of the ministry itself?

[Pol] I do not think I have had the political backing you mentioned in my work up to now, anyway. It was never the case that UP would applaud literally everything I did, so I do not think there is going to be any radical change in my relations with the party now that it has joined the opposition. There may not be any conflicts at all between the coalition and the party that takes upon itself the role of a critical representative of that part of society that is dissatisfied with the government's performance. Such dissatisfaction could easily apply to my area of activity.

I simply do not believe in ultracomfortable work conditions, where no opposition party would ever point to my mistakes.

[Wodzicki] When the UP chief made an assessment of your ministry's performance, he said that there was agreement on fundamental issues, while the differences pertained only to details. What exactly were these differences?

[Pol] It seemed to me at some critical point of the strike action in the energy sector that my colleagues from UP were not quite sure whether my policies have been thought through completely, and whether those policies take all aspects of the complex situation into account. They also had some reservations regarding the manner in which the restructuring of mining in Walbrzych Voivodship is being conducted. They pointed out—and by the way, I confessed to this—that the area of restructuring being proposed is very dangerous for the voivodship in question, whereas the government has so far failed to work out a supplementary program of some sort that would make sense.

There were also reservations concerning the failure so far to issue a governmental document entitled "Industrial Policies."

All of that was articulated by Sejm deputies for UP. So you see it was not the case that UP just coddled me and nothing else. Incidentally, coalition Sejm deputies are not coddling other members of the government, either. I think it is a good right for Sejm deputies to have—I mean the right to point to things that voters tell them about or that Sejm deputies can see for themselves.

[Wodzicki] There is talk about a clash of two approaches, or concepts, of putting the situation in industry in order: One comes from you, and the other from Minister Kaczmarek. Could you present your position on that?

[Pol] There was actually just one significant difference of views between us, which, by the way, was not portrayed correctly to the public. The issue was about supervision over State Treasury-owned partnerships.

The situation is quite atypical. Over recent years, part of the sector that was subjected to restructuring—such as metallurgy or the shipbuilding industry, for instance—has been supervised by the industry minister, while the other part has been supervised by the ownership transformations minister. There are sectors with as many as three owners, and all of them represent the state. Well,

my view is that a uniform state policy should be implemented vis-a-vis a specific sector.

At the time the draft law on ownership transformations was born, a provision also occurred that said that the ownership transformations minister becomes, by force of law, the State Treasury's representative with regard to all state-owned shares. At that point, we suggested two ideas: One , which was acceptable, was about having those sectors that are going through restructuring placed under the supervision of their owner—that is to say, the industry minister. Under that concept, the institution of the Ownership Transformations Ministry would assume supervision over the enterprises when their restructuring is completed or it would immediately take over supervision of those enterprises that would not be going through restructuring. The other idea, which went further than that, was that until such time that an institution of the State Treasury overseeing partnerships or shares is established, ownership rights would accrue to the appropriate chief organ of the state administration. If an enterprise is of an industrial nature, such rights accrue to the industry minister or to an organ whom he orders to do it, such as a local governor [wojewoda].

Currently, the dispute has taken a backseat because a vivid debate is under way concerning the institution of the State Treasury. We are trying to reach an agreement on this.

[Wodzicki] Recently, in Poznan, you promised the Cegielski Plant [HCP] that there would be the possibility of establishing a consortium along with the Szczecin Shipyard. That bothers Minister Kaczmarek somewhat because the HCP has been qualified as covered by popular privatization. In your view, should this model of ownership transformations be heavily favored in the economy?

[Pol] I think that this line of thinking by enterprise managements is as justified as one where they plan for the future through participation in the National Investment Funds [NFI]. It is not quite true that I promised the HCP something. Simply put, during a meeting with the prime minister at the HCP, I provoked the HCP's management, so to speak, to make a decision. In my view, the HCP had not been able to make any clear decision about its future for some time before the meeting. On the one hand, it appeared on lists of enterprises that are to be covered by NFI, but, on the other, it conducted talks with its main contractors, primarily the Szczecin Shipyard, concerning the creation of a joint capital-industrial organization. So, during the debate at the HCP, I posed the question: Which concept does the management intend to implement eventually? I was told in no uncertain terms, and with some supporting arguments, that those concepts will be chosen that link the HCP to its contractors. That is all.

[Wodzicki] What will happen next to industrial policies? Given that work on the institution of the State Treasury has been initiated and given the commercialization, is there not a danger that the issue of industrial policies will again have to take a backseat?

[Pol] I am convinced this will not happen...

Work on industrial policies up to 1997, which is the same time frame as that envisaged by "Strategy for Poland," has been going on with much vigor, and it has been going since long before "Strategy" ever appeared. The work I mentioned practically deals with two areas described in "Strategy for Poland": first, the issue of securing international competitiveness for the Polish economy, coupled with a more detailed description in the area of industrial restructuring. We will officially come up with a document over the next few weeks. I must also admit that work on a report on the state of Polish industry has been finalized. It is a document that makes it possible for those who make decisions and who analyze the government's measures and the Polish economy to get a "big picture" of what the state of resources in industry is, how it has been in the recent time period, and what can be hoped for in this particular area of the economy.

To put it briefly, the report on the state of industry and the program of measures in industrial policies are near completion, and I think that, shortly after the parliamentary recess, we will be able to officially announce these documents. They will make up an appendix to the "Strategy for Poland." In other words, they will constitute a description of how to reach the objectives defined in the "Strategy." We consulted on the preparation of the documents, as well as their public presentation, with [Deputy] Prime Minister Kolodko.

[Wodzicki] I also want to ask you about social issues and about social and economic conflicts such as the recent strike actions in the energy or mining sectors. Do you already have any ideas on how to solve such conflicts that involve a mixture of politics and day-to-day life, and where anxieties are not always rooted in rational socio-economic arguments?

[Pol] We do not have any perfect solutions for alleviating such conflicts and social tensions. Also, I do not think anybody in the world can say they have them. We draw conclusions from some types of situations that are in essence protests against restructuring processes that are misperceived by the public, such as the one in Belchatow. The tensions that occurred in the energy sector, which is based on the use of brown coal, taught us the lesson that there must be a better sociological or information-related preparation of the processes being conducted. I am saying that because it turns out that repeated meetings with trade union chiefs going on for hours are just not enough. In such situations, one must reach out with direct information to employees, not just to representations of trade unions.

It is definitely the case that this government has to overcome a kind of burdensome legacy that has accumulated over recent years. It is the issue of society being tired of the crisis that has been going on for a long time.

That is why the protests that are emerging are not a result of what this government did, but, at most, they result from the impossibility of improving the situation in enterprises soon.

[Wodzicki] Is it difficult to be industry minister these days? In the old days, you would definitely have a bag with gifts that you would be able to distribute with much generosity. What about now?...

[Pol] First, I really should not complain because the post was accepted by me on my own; nobody forced me to do it. Still, to dispel myths that come to mind when you think "government member," the things that television shows—I mean the conferences, meetings, and trips—these are just minor parts of the total volume of work to be done; also, they are by definition ones where there is a reporter available. Even though I knew before I took up the post that it would be hard work, I did not suspect it would be so hard and stressful. I work a dozen or so hours a day.

In addition, much of that work is not visible on the outside. There are no cameras to witness it. It comprises tedious work on programs and tedious and difficult discussions with industry representatives. It is also about analyses of laws that often appear later on a few small pages in DZIENNIK USTAW or MONITOR POLSKI. There is a discussion of every word, so as to make the final law coherent and noncontroversial on the one hand, and, on the other, to prevent it from interfering with economic processes of some sort. So, overall, it is tedious and intensive work, which practically means that one's personal life has to be sacrificed.

[Wodzicki] In that case, I wish you success in finalizing the work you initiated, as well as some time off for yourself and your family.

[Pol] Thank you, and I hope what you said will indeed come true.

Union of Freedom Deputy on 'Strategy' Program

PM1207151294 Krakow GAZETA KRAKOWSKA in Polish 6 Jul 94 p 4

[Interview with Tadeusz Syryjczyk, Union of Freedom parliamentary deputy and former industry minister, by correspondent Dorota Stec-Fus; place and date not given]

[Text] The debates and controversies surrounding the "Strategy for Poland," the government's socioeconomic program for the next four years, which was recently approved by the Sejm on the strength of Democratic Left Alliance [SLD] and Polish Peasant Party [PSL] votes, are still in full swing and show no signs of abating. Today we asked Sejm Deputy Tadeusz Syryjczyk, who represents the Union of Freedom political party in parliament, for his views on the Strategy for Poland document. During the parliamentary debate on the program, Tadeusz Syryjczyk addressed the Sejm on his parliamentary party's reservations about it.

[Stec-Fus] There is little mention of privatization in the Strategy for Poland program, but there is much discussion of commercialization of state enterprises, which, if I understand it correctly, is supposed to replace privatization.... Minister Kolodko has announced a return to central steering in the economy: reorganization of the economic center, creation of the State Treasury in the form of an institutionally separate organ, and "improved effectiveness in steering economic processes"....

[Syryjczyk] Indeed, this is a most disquieting development because administration of the national assets in the way presented in the Strategy for Poland document could even, contrary to its authors' intentions, turn out to be something directly opposite the privatization program. We should realize that the creation of the proposed large administration structures will reinforce the antiprivatization lobby and add the interests of these structures to the list of fears already felt by employees' groups in connection with the privatization scheme. Yet it is none other than the private sector that, without any doubt, generates real economic growth and creates new jobs. The institutions that administer the state sector will become an area of political influence instead of providing practical market verification of management methods. As domestic and foreign experience has shown already, this leads to a creation of oligarchic interest groups that aim to impose their will on the administration. In this way, we will create a stagnant model of economic administration, which will stand in danger of becoming open to corruption.

[Stec-Fus] The past four years have shown that the principal vehicle of effective management, apart from privatization, is decentralization of power in favor of local self-government structures. There are certainly many declarations concerning such decentralization in the Strategy for Poland document...

[Syryjczyk] ...but few specific decisions. Minister Kolodko's program contains no precise statements of which areas of competence will be decentralized, how the public finance sector will be decentralized, what proportion of that sector will remain within the competence of local parish or district self-government bodies, and so on. Nor do we find in it any answers confirming or denying the question of whether our past practice in the field of local self-government would still be relevant. In addition, we must consider the current practice in that sphere as applied by the coalition, which, as it happens, goes in exactly the opposite direction. What is left to us is the hope that the debate on the district reform will dispel all of these doubts.

[Stec-Fus] The Strategy for Poland declares that certain economic sectors, such as the sugar-manufacturing industry and the tobacco industry, will receive special

protection. If I remember correctly, the Union of Freedom is opposed to such solutions.

[Syryjczyk] We do not dogmatically reject any proposals for protection of selected economic sectors. However, we must remember that it also represents protection of certain interest groups, those of employees as much as those of enterprise management boards. Consequently, we have always insisted on ensuring that protection of select economic sectors be closely linked to the restructuring program and a specific program for reducing costs and prices and preparing for regular economic competition. However, all that is being offered in the Strategy for Poland program is yet another change of legal structures, another reorganization, and amounts of money that are aimed exclusively at state protection. We simply cannot accept that.

[Stec-Fus] Nevertheless, in the West's experience and practice, which you often quote, state protection is extended to a number of sectors. The electronics industry is just one example.

[Syryjczyk] The experience of Western countries is varied. Sometimes this practice helps with the restructuring and cost-reduction schemes, but more often than not it has exactly the opposite effect. The electronics sector demonstrates this very problem because, following its inclusion in the state protection scheme, the gap between the European and Japanese electronics industries widened considerably. Consequently, the sacrifice made by the consumers and taxpayers, who have to meet the costs of the protection schemes, is wasted.

[Stec-Fus] The program's authors predict a reduction of the budget deficit. They suggest that the year 1992 be taken as the point of departure, when the deficit amounted to 6 percent of the GDP. In 1994, the deficit is to fall to 4 percent of the GDP, and by 1997 to less than 3 percent. Is that realistic?

[Syryjczyk] Close analysis of the data presented in the Strategy for Poland document shows that the government actually intends not to reduce the budget deficit through the year 1997, but...to increase it. It is not until the last year of that particular scheme that the government plans to reduce the budget deficit—in order to bring it down to the 1993 level (which is conveniently not quoted in the document...), which was less than 3 percent. Apart from the fact that this manner of data presentation is, to put it mildly, dishonest, we should realize that if, over the next few years, we were to leave the budget deficit at the level attained already in 1993, the amount of the public debts would be reduced much faster, and the banking system would be able to allocate considerably more funds to capital investment projects, job creation schemes, and so on. Consequently, the targeted reduction of inflation to single-figure levels would become much more realistic then.

[Stec-Fus] Over the next five years, real prices are supposed to go up by 11 percent and old-age pensions by 12 percent, are they not?

[Syryjczyk] This promise is linked to the declaration that, at the same time, we will be transferring to the system of index-linking for old-age pensions. It should be stated clearly that, considering the expected parallel increase in real prices, this means that old-age pensions will not really go up at all.

[Stec-Fus] Some circles close to the education sector emphasize, not without a tinge of schadenfreude directed at you, that Minister Kolodko has announced investment in the human resources capital and promised to increase expenditure on education and create the opportunity to claim tax allowances on education for taxpayers themselves and their children...

[Syryjczyk] ...in other words, he is promising some of the things for which the Democratic Union fought several months ago and that it failed to secure because it was overruled by the votes of the government coalition. We are obviously in favor of the highest possible increase in expenditure on education, and of a scheme whereby the taxation system provides assistance with the financing of private education. Unfortunately, despite its declarations, Strategy for Poland does not present any specific announcements of institutional changes that would meet this requirement. Moreover, the budget decisions approved this year have resulted in a very serious reduction of expenditure on education, in particular on higher education establishments. This is another example of how the program does not meet the practical application of the state administration methods that have been applied over the past several months.

[Stec-Fus] All the same, both the IMF and the World Bank, whose opinions you often quote, seem to have approved the Strategy for Poland program....

[Syryjczyk] In theory, the program puts forward many correct theses with which it would be difficult to disagree. Nevertheless, even as the government submitted the document to parliament, it still kept making decisions that contradicted it. Even as it was submitting the document to parliament, the government still kept making decisions that ran counter to the program detailed in Strategy for Poland. Nor has it specified who will realize its individual elements and when this process will be taking place.

[Stec-Fus] Thank you for talking with us.

FRG's Kinkel Begins Visit in Bucharest

AU1307112494 Bucharest Radio Romania Network in Romanian 1000 GMT 13 Jul 94

[Text] Today Klaus Kinkel, Germany's foreign affairs minister, arrived in Bucharest.

The German dignitary was met at the stairs of the aircraft by Teodor Melescanu, Romania's foreign affairs minister, Anton Rossbach, Germany's ambassador to Bucharest, other members of the German Embassy, and Florea Dudita, Romania's ambassador to Bonn, reports our correspondent Gabriela Langada, who at Otopeni Airport, in the name of Romanian press, offered a rose to the German guest.

Following that moment, Klaus Kinkel made the following exclusive statement:

[Begin Kinkel recording in German with superimposed Romanian translation] First I would like to thank you for this friendly reception. It is a good omen that, upon my arrival, I was offered a rose. I am glad to be able to visit Romania for the first time in my capacity as foreign affairs minister. I have been here several times, when I was holding other offices, so I know your country well.

I believe that my visit is taking place during an important and interesting period of time. On 1 July, Germany took over the chairmanship of the European Union, while Romania currently has two important goals: The first is to join the European Union as soon as possible, and the second, related to its security, to be admitted to NATO as soon as possible. I believe that these will be the principal issues we will discuss here. I am glad that I will be able to discuss them with the entire leadership of the state. Of course, the agenda also includes several bilateral issues.

This period of time is also good because the summit meetings in Corfu and Naples concluded recently, during which special importance was given to the issue of Central and Eastern Europe, to which Romania also belongs.

For us, Romania is an important country that we place on the same coordinates as the other countries that have been seeking their way to the European Union after 1989. We will support Romania in every way we can. [end Kinkel recording]

We would like to mention that, during the weekly news conference held today at the Romanian Foreign Affairs Ministry, Mircea Geoana, the spokesman of that ministry, termed Klaus Kinkel's visit a very important one, as Germany has taken over the chairmanship of the European Union, and assessed that bilateral relations between the two countries are very good.

Further on Visit by PRC Prime Minister

Vacaroiu Welcomes Li Peng

AU1107153594 Bucharest Radio Romania Network in Romanian 1300 GMT 11 Jul 94

[Text] Today, Chinese Prime Minister Li Peng arrived in Bucharest from Constanta. The guest, who is accompanied by an important delegation of Chinese businessmen, was welcomed at Otopeni Airport by Prime Minister Nicolae Vacaroiu and Minister of Foreign Affairs Teodor Melescanu.

After the official welcome ceremony scheduled for this afternoon at Cotroceni Palace, the Chinese dignitary will hold the first round of talks with President Ion Iliescu.

Tonight, the head of the Romanian state will give an official dinner in honor the distinguished guest.

We remind our listeners that Romania is the last leg of Premier Li Peng's European tour, which also included Austria and Germany.

Iliescu, Li Peng Sign Pact

AU1207182494 Bucharest Radio Romania Network in Romanian 1700 GMT 12 Jul 94

[Text] Today at 1830 [1530 GMT] at Cotroceni Palace the ceremony of signing several documents concluded by Romania and the People's Republic of China took place, occasioned by the visit in our country of a Chinese delegation headed by Li Peng, the prime minister of the Council of State of the People's Republic of China.

The documents were signed in the following order: First the cooperation accord between the Romanian Academy and the Chinese Academy of Science, followed by the agreement concluded between the Romanian Education Ministry and the State Committee for Education of the People's Republic of China regarding cooperation and exchanges in the domain of education over 1994-1997, the Accord on the Guaranteeing of the Investments, the Economic and Commercial Accord between the two countries, as well as the Accord on Cultural Cooperation.

Following this, Premier Li Peng and President Ion Iliescu signed the Joint Declaration on Friendship and Cooperation between the two countries, a document that consecrates the principles at the basis of bilateral relations and establishes the process and realms of cooperation between the two countries.

At the ceremony's conclusion, President Ion Iliescu took the floor, expressing his satisfaction over the visit of the Chinese delegation in our country. The documents that were signed today, especially the Joint Declaration on Friendship and Cooperation between the two countries, open new paths for cooperation on all planes and mark a cornerstone in our relations, emphasized President Ion Iliescu.

When is turn came, Premier Li Peng, after thanking President Iliescu for his words filled with friendship and warmth, highlighted the fact that by signing the six documents the two parties managed to give new impetus to friendly relations, deepened mutu al knowledge, and furthered bilateral cooperation.

After signing the documents, an official farewell ceremony took place at Cotroceni Palace, following which the Chinese delegation left, heading for Otopeni International Airport.

Brief Press

AU1107190794 Bucharest Radio Romania Network in Romanian 1700 GMT 11 Jul 94

[Text] Today at Cotroceni Palace, Romania's President Ion Iliescu held talks with Li Peng, the premier of the State Council of the People's Republic of China.

After the talks President Ion Iliescu and Premier Li Peng made statements for the press.

This is what President Iliescu said:

[Begin Iliescu recording] First I would like to emphasize our appreciation for this, the first visit to Romania after the [1989] December revolution of the premier of China's State Council.

I would also like to highlight the political significance of this visit, the first high-level visit in recent years, which expresses on the one hand the political resoluteness of the leadership of the two countries to strengthen, further, and diversify our bilateral relations, which look back on a long tradition and which comply with the mutual interests of the two states. Regardless of the political changes that have taken place, the state structures, or the systems, and the major interests of the relations between our states have always prevailed and still prevail under the new circumstances.

We continued the dialogue initiated during my 1991 visit to Beijing. Later we met again at an international conference in Rio de Janeiro. This year I had the opportunity to visit the coastal region of China.

We have appreciated and still appreciate the dynamic character of the economic development of China, a country with the largest population of the world—when one is talking about China one is actually talking about one quarter of the world's population world—which is undergoing dynamic development, and not solely in the coastal regions, but also throughout the Chinese economy. Therefore it lies in our interests, in the interests of our country, which is in a transformation process on all levels, to find partners for itself within the process of economic development. And China is a partner of great importance, and not solely for Romania. As you can see, all the countries of the world display the same interest. I mention this in connection with the opinions expressed by certain people, who measure Iliescu and Premier Kohl [as heard] or Austrian Premier Vranitzky [as heard] by double standards. Thus, in this case it is not the ideological elements that prevail, but rather the economic interests and the interests of maintaining normal relations between states.

During the dialogue that we held this afternoon we emphasized our joint interests, our very good cooperation, the rich traditions of the bilateral relations between our countries, the political climate favoring the development of our relations, and our mutual interests, especially in the furthering of economic relations. For Romania China is the second most important partner after Germany. For China, Romania is the principal partner in this region of transition countries. Therefore our dialogue concentrated especially upon ways to broaden our bilateral relations, both in the case of commercial relations and in the finding of concrete forms of cooperation in the production, in economy, as well as in the finding of specific forms for the period through which we are passing, namely in bilateral discounts and multilateral discounts, and possibly the setting up of a joint Romanian-Chinese bank, which could facilitate the relations between our economic units and the diversifying of cooperation forms.

This is what we wished to brief you on. We will have the opportunity to continue our dialogue tonight during dinner. Tomorrow a major political document is to be signed, a political declaration emphasizing precisely the foundation and the principles that we wish to make the basis of bilateral relations between our countries. [end recording]

This is the statement of Chinese Premier Li Peng:

[Begin Li Peng recording in Chinese with passage-by-passage Romanian translation] I would like to thank, first of all, his excellency the president, as well as the prime minister for the invitation that they made to me to come to visit Romania.

We have held talks with the president on international issues, as well as on issues of mutual interest within our bilateral relations. Our talks developed very well.

We consider that each country and each people has the right to choose the economic and social system that it wishes, and no other country is entitled to interfere with that option.

Currently China is developing, and it is developing quite well. However, in this development process we also face some difficulty. In the building of a socialist economy we are still encountering a number of hardships. We are cooperating very well with Romania.

There are a number of things that we assess similarly in international life. Both parties consider that world issues cannot be run on the basis of dictates, but rather that each country should decide independently upon the way that it wishes to follow.

I consider that our visit will contribute to the furthering, the promotion of the friendship and cooperation relations between China and Romania.

Please, convey my greetings to the Romanian people. [end recording]

Li Peng Assesses Tour

AU1207204894 Bucharest Radio Romania Network in Romanian 1940 GMT 12 Jul 94

[Nicu Popescu report]

[Text] Today, before departing from Bucharest, Li Peng, prime minister of the State Council of the People's Republic of China, held a news conference. The questions asked by seven Romanian journalists encompassed a wide range of issues: Romanian-Chinese relations, Premier Li Peng's assessment of his European tour, and international relations.

In the opinion of the prime minister, his visits to Austria, Germany, and Romania were necessary and yielded fruitful results, which is also due to the meetings he held with the leaders of the three countries, during which they exchanged views on economic, political, and other issues. Highest-level discussions are necessary due to the great changes that have taken place worldwide, and are intended to strengthen cooperation between the countries in question. Li Peng placed his visit to our country in that context—after the two visits paid by President Ion Iliescu to China—that concluded with the signing of a joint declaration and other bilateral documents.

Answering a question, Li Peng replied that his country does not object to a possible expansion toward the East by NATO—with which, as a matter of fact, several states have already signed a partnership program—if it is beneficial for regional development and peace. That view may be extended to all other types of organizations, as well. In that context Li Peng pointed out that Europe has to be able to solve the problems it is currently facing, especially those on the territory of former Yugoslavia, in Bosnia- Herzegovina, as this is a touchstone for Europe.

In the opinion of Premier Li Peng, the United States' granting of most-favored-nation status to his country, disassociated from the problem of human rights, represents a positive decision by the U.S. President, as the status is beneficial to both China and the United States. It is a kind of reciprocity, as he put it.

Continuing on to economic issues, Li Peng pointed out that in its relations with other states his country does not indulge in discrimination with respect to ideology or the social system of its partners, and wishes to develop relations with all countries on the basis of equality and mutual advantage. This is also valid for China's relations with Romania, related to which he emphasized the importance of the five principles of peaceful coexistence, mentioning that they are good principles both for China's relations with Romania and for relations with all other countries. Also about our country, Li Peng said that Romania's geopolitical importance is very well known in his country, from the point of view of resources, population, and the strength of our country, which is a Danube state, but also a Black Sea coast country, situated at the mouth of the Danube.

Answering another question referring to the new international circumstances, the Chinese prime minister pointed out that currently there is a great deal of unrest and conflict in the world, but the origin is economic and therefore relations between the economic and political domain have to be close ones, as the economy is the basis of politics. In his opinion all countries, regardless of their dimensions and economic strength, ought to be handled equally and participate as equals in international activities. The world should not be led solely by one country or a few countries, and the current trend toward multipolarity favors world stability and peace. The prime minister emphasized that his country opposes hegemonism and the policy of dictat and that China is not conducting a policy of hegemony and does not try to establish zones of influence in any region, its wish being to achieve friendship and peace.

Regarding the situation after 1997, when Hong Kong will return under China's sovereignty, Li Peng said that they will promote the principle of one country—two systems, namely a socialist system with Chinese features, and, respectively, in Hong Kong, the ideology and way of life that is established there. This principle represents the great contribution and great creation of Mr. Deng Xiaoping, added Li Peng.

Izetbegovic To Recommend Assembly Endorse Plan

AU1307114294 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1100 GMT 13 Jul 94

[Text] After visiting Zagreb, the foreign ministers of Great Britain and France, Douglas Hurd and Alain Juppe respectively, paid a 2-hour visit to Sarajevo. They held talks with Alija Izetbegovic, president of the Presidency of Bosnia-Herzegovina, Prime Minister Haris Silajdzic, and Kresimir Zubak and Ejup Ganic, president and vice president of the Federation of Bosnia-Herzegovina respectively.

[words indistinct] on Bosnia-Herzegovina. In a statement for journalists, Presidency President Alija Izetbegovic said that consent existed to recommend to the Assembly of Bosnia-Herzegovina that it accept the plan of the contact group. Although we will not accept the plan with enthusiasm, we hold the view that any other choice would be worse, President Izetbegovic told journalists.

British, French Foreign Ministers in Sarajevo

AU1307083494 Paris AFP in English 0814 GMT 13 Jul 94

[by Francis Curta]

[Text] Sarajevo, July 13 (AFP)—Foreign ministers from Britain and France arrived here Wednesday on a joint mission to pressure Bosnians and Serbs to make peace, warning that war could spread if a deal is not reached by next week.

An international contact group made up of the United States, Russia, European countries and the United Nations has given the warring parties until July 19 to consider a partition plan for Bosnia-Hercegovina, at war for 27 months.

British Foreign Secretary Douglas Hurd and French counterpart Alain Juppe arrived from Zagreb where they held talks Tuesday with Croatian President Franjo Tudjman and where they warned of the possible spread of war to the whole of the former Yugoslavia if the warring factions parties reject the latest Geneva peace plan.

Hurd and Juppe were to hold talks here Wednesday morning with Bosnia President Alija Izetbegovic before going on to nearby Pale, in the early afternoon, for talks with Bosnian Serb leader Radovan Karadzic. They were later due to travel on to Belgrade for talks with Serbia President Slobodan Milosevic in a bid to rally them all to the peace plan.

Under the plan, the Moslem-Croat Federation would be granted 51 percent of Bosnian territory, while the Bosnian Serbs, who currently hold 70 percent, would get 49 percent.

The Bosnian Government, whose parliament meets Monday to discuss the plan, has indicated it is ready to agree, but Bosnian Serbs are less inclined to do so. They would have to hand over 20 percent of the territory they hold despite winning the military war so far.

As part of a package of "carrots and sticks" in the latest peace plan, the United States, Europe and Russia have threatened to exempt the Sarajevo government from an international arms embargo on former Yugoslavia if the Serbs reject the proposal.

Hurd said Tuesday that lifting the arms embargo could become inevitable if Bosnian Serbs reject the plan, adding that this would unleash fierce new fighting which could spread throughout the former Yugoslavia.

Britain and France, until now, had been particularly reluctant to consider lifting the embargo, warning of an arms race and escalation of fighting.

Juppe, for his part, said that if the embargo were lifted, UN troops currently in Bosnia would be pulled out.

France and Britain currently supply the biggest contingents to the UN Protection Force (UNPROFOR) in Bosnia with just under 5,000 French and 3,500 British troops.

Serb orthodox bishops meanwhile rejected the Geneva peace plan for Bosnia, according to a statement issued Tuesday by their press service following a meeting in Belgrade last week.

The statement, received in Paris, expressed concern over the future of "historical (orthodox) holy places" under the proposed partition. It said the demands of the orthodox church are the same as those of the "orthodox nation," though condemned any "malicious action" from any of the warring parties.

Ministers Arrive in Pale

LD1307110094 Belgrade TANJUG Domestic Service in Serbo-Croatian 1037 GMT 13 Jul 94

[Excerpt] Sarajevo, 13 Jul (TANJUG)—British and French Foreign Ministers Douglas Hurd and Alain Juppe arrived in Pale at about 1200 today where they began talks with the leadership of the Serb Republic. [passage omitted]

Ministers Praise Government

AU1307112394 Paris AFP in English 1058 GMT 13 Jul 94

[by Francis Curta]

[Text] Sarajevo, July 13 (AFP)—Foreign ministers from Britain and France on Wednesday welcomed a decision by Bosnian President Alija Izetbegovic to recommend his parliament adopt the Geneva peace plan to end the 27-month war.

"There is a consensus among us to propose to our assembly to accept the plan," Izetbegovic told a joint news conference.

"We don't think the plan is good. We think the plan is bad. But all other options are worse," he added.

The plan for partition of Bosnia-Hercegovina between Serbs on the one side, and a Moslem and Croat Federation on the other, "involves sacrifices by all," said British Foreign Secretary Douglas Hurd.

"We are all the more pleased to hear from President Izetbegovic and his colleagues that they are going to recommend the plan for acceptance by their parliament on the 18th of July," the day before the international deadline set for a decision on the plan from both sides, Hurd added.

The Bosnian parliament will vote on Monday on the peace blueprint put forward by an international contact group made up of the United States, Russia, European countries and the United Nations.

"Acceptation of the plan will create a different atmosphere," French Foreign Minister Alain Juppe said for his part.

The two foreign ministers later left for Pale, the nearby self-proclaimed Bosnian Serb capital, for talks with Bosnian Serb leader Radovan Karadzic. Later in the day, they were to travel to Belgrade for talks with Serbia President Slobodan Milosevic.

Hurd and Juppe had arrived from Zagreb where they met Tuesday with Croatian President Franjo Tudjman and where they warned of the possible spread of war to the whole of the former Yugoslavia if the warring factions parties rejected the latest Geneva plan.

The peace plan was "a balanced plan and the best possible plan for achieving a real peace," Hurd said.

"It is sometimes described as a plan of partition. It is not a plan of partition, it is a plan which provides for the integrity of (the) borders" of Bosnia-Herzegovina, he added.

The plan calls for the division of the territory of Bosnia-Herzegovina with the Moslem-Croat Federation getting 51 percent of the land and the Bosnian Serbs 49 percent. The Serbs currently hold about 70 percent of the land.

Hurd and Juppe both reaffirmed the international community's commitment to the integrity and sovereignty of Bosnia-Herzegovina which would prevent the Bosnian Serbs from seceding and joining up with neighbouring Serbia.

As part of a package of "carrots and sticks" in the latest peace plan, the United States, Europe and Russia have threatened to exempt the Sarajevo government from an international arms embargo on former Yugoslavia should the Serbs reject the proposal.

As "a last resort," the lifting of the arms embargo "might be inevitable," Hurd said here, adding that this would have "consequences" for the UN Protection Force [UNPROFOR].

France and Britain, the main contributors to UNPROFOR, together have some 8,500 soldiers on the ground in Bosnia. They have threatened a pullout should the war escalate.

Bosnian Serb General Opposes 'Imported Solutions'

LD1307112294 Belgrade TANJUG Domestic Service in Serbo-Croatian 0926 GMT 13 Jul 94

[Text] Banja Luka, 13 Jul (TANJUG)—Lieutenant-Colonel-General Manojlo Milovanovic, chief of staff of the Serb Republic [in Bosnia-Herzegovina] army, told TANJUG in Banja Luka that the war that began in former Bosnia-Herzegovina will also have to end there. "It would be good if the international community made an effort to get us to sit around a negotiating table here," Milovanovic said. "The war will not end in Geneva, London, or New York. Tuzla, Sarajevo, or Pale—the venue of the talks is not important to us. It is important that they take place in the territory of former Bosnia-Herzegovina."

He said that "imported solutions" for the crisis in Bosnia- Herzegovina will not count for much, particularly because the Muslim forces have been constantly attacking in Ozren, Majevica, Semberija, and Cazin Krajina ever since the June cease-fire came into force.

According to Milovanovic, the outcome of the war will certainly be determined by the fact that the Serbs have been the victors in the war and that it was the Serbs who came up with the largest number of possible peaceful solutions to the conflict. "We have made a large number of concessions, by proclaiming unilateral cease- fires, restraining from offensive operations, and initiating cease- fires. Despite this, we have been successful in the war but whenever we were on the point of a major success the international community tried to stop us." Gen Milovanovic cites Zepa, Srebrenica, Gorazde, Cazin Krajina, and Posavina as examples of this.

"The Muslims prepare their offensives well in advance, they launch them, and when we respond and need 24 or 48 hours to finish them up, the international factor enters the scene to stop it," he said. "Once we give in they then widen their demands insisting on new concessions. They have already invented 'gray zones' as a way of gaining 58 percent of the territory [for Muslims and Croats] and will probably not stop there."

Milovanovic also said that the Serb Republic army does not intend to launch any offensive operations.

Commenting on the pressure to have the Contact Group's plan accepted, he said that the EU wants to dominate in the Balkans.

"Russia is also waking up now and it also wants to dominate in the Balkans", Milovanovic said and went on to conclude that the war in former Bosnia-Herzegovina will continue.

According to Milovanovic, the current goal of Muslim policy and of the policy of the Muslim-Croat Federation is above all to prevent the Serbs from getting their state and in addition to realize their old dream of an east-west border on the Drina river. "The way for them to achieve these goals militarily or strategically is to try to sever the corridor at the point where it is thinnest, to cut our 'lifeline' and separate the Serb Republic from the Republic of Serb Krajina and their Serb people from their mother country of Serbia or Yugoslavia," Gen Milovanovic said.

Court Rejects Contact Group's Partition Map

AU1207145294 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 12 Jul 94

[Text] The Constitutional Court of Bosnia-Herzegovina today issued a statement on the maps for the territorial delineation of Bosnia-Herzegovina. The statement says that the Constitutions of the Republic and the Federation of Bosnia-Herzegovina and the UN Charter have already been violated.

Article 1 of the Constitution says that Bosniaks and Croats as constituent peoples, along with others, and the citizens of the Republic of Bosnia-Herzegovina, in the exercise of their sovereign rights, transform the internal structure of the territories with the majority of Bosniak and Croat population in Bosnia-Herzegovina into a federation, which is composed of federal units with equal rights and responsibilities.

Experts and politicians have calculated that, according to the 1991 census, this (?ratio) is 58 percent of the territory of Bosnia- Herzegovina to the advantage of the Federation. Citizens have been expecting and the entire public has been prepared for the realization of this. The map on the delineation of Bosnia- Herzegovina significantly deviates from this constitutional provision, because the Federation is being offered 49 percent and the so-called Serb republic is being offered 48 percent. The [word indistinct] Sarajevo, which will be under a UN protectorate for two years, occupies 3 percent, and there are indications that it could be divided in the ratio of 2:1 to the advantage of the Federation.

Since the United States drafted the Constitution of Bosnia-Herzegovina, why is it allowing its violation? Can this violation be (?more successfully) opposed by internal patriotic and democratic forces. What can be done better still by our state and political leadership? Great disappointment [words indistinct] the refugees and those expelled appear inevitable. It is now the state parliament's move. People will vote at the elections, because the Constitution should be defended as a whole, particularly [words indistinct] points the freedom of citizens and territory.

This was stated at the end of the statement issued by the Constitutional Court of Bosnia-Herzegovina.

Akashi: UN To Examine Closely Ethnic Cleansing

AU1207143794 Zagreb HINA in English 1343 GMT 12 Jul 94

[Unattributed report: "Bosnia Cease-Fire Agreement Extended for Another 30 Days"]

[Text] Sarajevo, 12 Jul—United Nations special representative Yasushi Akashi told a press conference in Sarajevo on Tuesday, after meeting with President Kresimir Zubak and Vice- President Ejup Ganic of the Moslem-Croat federation in Bosnia- Herzegovina, that he had been given consent by the Bosnian side for the extension of truce for another 30 days. This agreement, which took effect retroactively on July 10, follows the one signed in Geneva on June 8. Akashi said that UNPROFOR [UN Protection Force] took a note of certain proposals and objections by the Bosnian side to the current process of negotiation on the cease-fire extension. Akashi went on to say that UNPROFOR pledged to examine closely the process of ethnic cleansing in the Banja Luka area of northern Bosnia and to try to deploy UNPROFOR civil police in the area. He added he was planning to visit Banja Luka soon and that he would seek the agreement of the Serb side. UNPROFOR will undertake necessary measures to secure the unimpeded movement of UNHCR convoys through Bosnia, Akashi added. Ganic expressed satisfaction with the agreement, underlying the fact that UNPROFOR had taken into account Bosnian demands. He said he hoped UNPROFOR would manage to stop the ethnic cleansing campaign in the Banja Luka area. Akashi specified that this agreement would not be concluded in writing. Today, he signed a special statement with Zubak and Ganic, and the same statement will be offered to the Serb side since no joint document will be signed.

BORBA: Milosevic Pressures Karadzic To Resign

AU1207122894 Belgrade BORBA in Serbo-Croatian 12 Jul 94 p 4

[Commentary by G. Rosic: "Is There Going To Be a Change in Serb Republic Leadership?"]

[Text] There has been speculation in Belgrade public life and the media for months now that Radovan Karadzic, president of the Serb Republic, could be replaced—on orders from Belgrade, that is, Serbian President Slobodan Milosevic—because of his "hardline" attitude toward the solution to the Bosnian crisis. Nenad Kecmanovic, former leader of the Bosnian Reformists, was initially mentioned as Karadzic's possible successor (and he denied such information), but after the latest round of Geneva talks—when Milosevic "consulted" Nikola Koljevic instead of Karadzic, as had been the common

practice before—it is Koljevic who is now being mentioned as a possible candidate for first man in the Serb republic, which was reported yesterday by the Russian NEZAVISIMAYA GAZETA.

As reasons for which Karadzic could allegedly be replaced, there is speculation in the journalist circles that this is because the Serb republic leadership is increasingly differing from the Socialist Party of Serbia [SPS] on several issues, including its "affinity with the Ravna Gora movement [Chetniks]," which has allegedly been rehabilitated in the Serb republic, as well as the intention "to build capitalism in the Serb republic." They say that because of such attitudes Karadzic's rating is very low with the president's wife Mira Markovic, whose party League ofCommunists- Movement for Yugoslavia [SK-PJ]—well-informed sources claim—has been the most committed to his removal.

The predictions about Karadzic's alleged removal include two options: Either he would go voluntarily (for health reasons), or he could be forced to leave in the elections in the Serb republic, for which the newly-formed SPS for the Serb republic has been intensely preparing. Dragutin Ilic, chairman of the Socialists across the Drina, has not missed a single opportunity over the last few days to criticize the ruling Serbian Democratic Party [SDS], stressing that the only solution for "accumulated economic and social problems, and war profiteering in the Serb republic" is in new elections. As things stand now, Karadzic's SDS has no intention of having elections. They say: "We can have elections but only after the war, when there is peace in the Serb republic." We did not manage to find out yesterday what Karadzic has to say about the information on his removal. However, we were told in the Serb republic information service that this was a fabrication, and that "there have been rumors about Karadzic's removal ever since he became president of the Serb republic."

The leader of the Serb republic still enjoys huge popularity with the people there, for whom—we found out—the maps on offer are unacceptable, and who will not accept "at any cost" to be deprived of the corridor that "means life to the Serbs." Well-informed people say that it is hard to believe that Karadzic could lose at the next elections in the Serb republic, even though Milosevic still rates rather high there. It is also hard to believe that—if elections were to be held—the people in the 13 cities that are to go to the Muslim-Croatian federation, and people from other places whom the map does not suit, could vote for Milosevic's candidate, for example, Koljevic, who is seen as a moderate in the leadership of the Serb republic.

For this reason—unless the said stories about Karadzic's removal are fabrications—it is more likely that the Serb republic president could offer his resignation. To judge by his statements, the reason for his resignation would be that "this is in the interest of preserving Serbian unity."

Milosevic-Karadzic Conflict

AU1207150394

[Editorial Report] Belgrade BORBA in Serbo-Croatian on 6 July on page 11 carries a 2,000 word report attributed to E.B.L. about the mismanagement of funds and theft in the Serbian Republic, which implicates several prominent Bosnian Serb politicians. "Milosevic's battle against crime under the tired and tested slogan that 'everybody must observe the law,' has crossed over the River Drina," the author of the article writes, "at just the right moment, as some would say." "Even though the stories about the import of oil in the conditions of war and under the economic blockade belong in the domain of top state secrets," Mico Stanisic, a relative of Jovo Stanisic who is one of the top officials in the Serbian Republic police, recently revealed that Serbian Republic Prime Minister Vladimir Lukic had "'abused his position and the trust of the nation by falsifying the government decisions and altering the decisions of the parliament and in this way wronged the Serbian Republic by 3.5 million German marks,' that were intended for the import of oil."

Besides Lukic, as the article states, Stanisic is also accusing Deputy Prime Minister and Economics Minister Branko Ostojic, Trade Minister Milenko Stanic, Finance Minister Petra Markovic, National Bank Governor Momcilo Pejic, and Branislava Zigic, secretary in the Ministry of Trade and Supplies, of being instrumental in the misappropriation of funds.

As it is reported, Lukic dismissed all the charges "as a pure farce," and in return alleged that the interior minister is "trying to obtain amnesty for the perpetrators of criminal activities committed prior to November 1992 when everything that could be stolen was stolen."

As the article speculates, the naming of the culprits in the oil affair could be seen as an attempt to placate the public which is enraged by widespread war profiteering and black marketeering. However, "bearing in mind that some of the close aides of [Serb Republic President] Radovan Karadzic have been implicated, it is not difficult to assume that the unearthing of the oil affair precisely at the time of the difficult Geneva negotiations represents another form of pressure on the Serb Republic president to yield. Evidently," the author continues to write, "the Belgrade coordination meetings and talks did not produce the desired effect. Karadzic's hardcore views continue to stain the picture of the Serbian president, which, by the way, he had painted himself and which portrays him as a tireless peacenik."

As the author of the article says, some people bring this affair in connection with last year's rebellion in Banja Luka entitled "September '93" and speculate that the next such uprising could take place in Bjeljina, where the headquarters of the Serbian Republic police is situated. "Even though the leadership in Pale assures that there will be no new elections before the end of the war, the parties whose offices do not display the photographs of

the poet from Mt. Durmitor [Karadzic] but exclusively of Slobodan Milosevic—the Socialist Party of the Serbian Republic and, naturally, the League of Communists-Movement for Yugoslavia—have been announcing them, as instructed by Dedinje [Belgrade]. What better than to start the presidential campaign precisely by initiating the struggle against crime and naming the thieves, which will doubtlessly 'buy' numerous votes," the article wonders.

As it is reported, the Serbian Republic Information Ministry in its statement for the public emphasized that "no citizen of the Serbian Republic can be absolved from the responsibility for his actions, therefore, not even the representatives or members of the highest state bodies." However, all this is on the condition that "any possible irregularities" are proven "in a legally prescribed procedure."

"By tying up all the loose ends," the author of the article concludes, "it becomes clear that only the Belgrade regime can ultimately benefit from this entire case and precisely because of this many people say that Karadzic should be careful."

Karadzic: Survival 'Supreme Historic Task'

LD1207174894 Belgrade TANJUG Domestic Service in Serbo-Croatian 1710 GMT 12 Jul 94

[Text] Sarajevo, 12 Jul (TANJUG)—Radovan Karadzic, president of the [Bosnian] Serb republic and president of the Serb Democratic Party, said in Pale today that "we are living in such a place and in such times that a struggle for our survival is our supreme historic task, in whose implementation we must not yield, for only a nation that fights can survive."

The fourth anniversary of the founding of the Serb Democratic Party of the Serb Lands and St. Peter's Day were marked in Pale today, attended by the highest representatives of the state, political and military circles.

Addressing the audience, Karadzic said that "the Serb Democratic Party has had no other aim but to secure survival and to push back the enemy, not to defeat it, but to repel it." He stressed that the Serb people are now facing their most serious challenge.

"The whole world has literally united to force us to accept what they want us to accept. We must, with much wisdom and common sense, but also with courage, decide what we should do. We do not regard our lives as important, we do not think that it is important that we should keep our positions. It is, however, important that the people get what they want and we will, to that end, do exactly what the people expect us to do. No more, no less. If the people expect us to accept, we will; if they do not, we will act accordingly," Radovan Karadzic said in conclusion, noting that unification into one Serb state, although a gradual process, remains the ultimate objective of the Serb Democratic Party.

Ganic: Cease-Fire Success Depends on Banja Luka

LD1207211094 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2000 GMT 12 Jul 94

[Excerpts] Representatives of the Bosnia-Herzegovina Republic and federation today agreed to Yasushi Akashi's proposal on the extension of the cease-fire in our country by another month. Senada Cumurovic reports:

[Cumurovic] [passage omitted] Ejup Ganic spoke about how satisfied he is with Akashi's promises about the situation in Banja Luka, where the Serb forces are continuing ethnic cleansing:

[begin Ganic recording] Mr. Akashi promised that, if allowed, he will go to Banja Luka. He also promised to secure UN Protection Force [UNPROFOR] deployment in the town, to monitor the situation in the town, and to try to deploy UNPROFOR civilian police. [end recording]

[Cumurovic] [passage omitted] Ejup Ganic said the following about the agreement signed by Yasushi Akashi, the president, and the vice president of Bosnia-Herzegovina: We will do our best to make sure it is not a failure, but it will depend on the situation in Banja Luka.

Banja Luka Serbs Ready To Receive Akashi

LD1207132094 Belgrade TANJUG in English 1202 GMT 12 Jul 94

["Pool" item]

[Text] Banja luka, July 12 (TANJUG)—Authorities of Banja Luka Tuesday denied the allegations that they were preventing special U.N. envoy Yasushi Akashi from visiting the Bosnian Serb city.

'The visit of Yasushi Akashi is a matter decided by the (Serb republic) state leadership and diplomacy, and we in Banja Luka have not officially been informed of the possibility of such a visit,' Banja Luka mayor Predrag Radic told TANJUG.

News agency REUTER Monday quoted U.N. spokeswoman in Sarajevo Claire Grimes as saying the Bosnian Serbs had prevented Akashi's planned visit to Banja Luka, declining to guarantee his safety.

'I do hope the Akashi visit will take place, since it would be an opportunity to put a stop to the western media campaign against Banja Luka, which I feel is picking up again,' Radic said.

REUTER presented in the same report the unsubstantiated allegation that the grossest human rights violations in the 27-month civil war in Bosnia-Herzegovina were committed in Banja Luka. It also said a half million Croats and Moslems had allegedly been driven out of the

city. Banja Luka last year received Moslem and Croat civilians who fled fierce Moslem-Croat clashes, especially in central Bosnia.

Army-HVO Command Check Readiness at Front

AU1207145894 Zagreb HINA in English 1345 GMT 12 Jul 94

[Unattributed report: "Joint Moslem-Croat Military Command Visit Central Bosnia"]

[Text] Vitez, 12 Jul—Members of the joint command of the Croat Defense Council (HVO) and the Bosnian Army arrived in the Lasva River valley to get acquainted with field commanders and troops of both armies and to assess their combat readiness and mutual relations on the ground. The delegation of the Moslem-Croat joint military command were accompanied by representatives of the HVO and Bosnian Army headquarters. After their visit to central Bosnia, the joint command will continue a tour of the formations of both armies elsewhere in the Bosnian federation.

Government Discusses Topics for Croatian Talks

LD1207213794 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2000 GMT 12 Jul 94

[Text] A session of the government of the republic and the federation of Bosnia-Herzegovina was held in Sarajevo today. The main topic of discussion was a draft platform for talks for the forthcoming visit of our government to the Republic of Croatia. A report by Mehmedalija Tific:

[Tific] The discussion today was based on a recently drawn up Sarajevo protocol for top-level cooperation relating to a number of issues [words indistinct] and cooperation. Government members opted for priorities in connection with a series of cooperation issues facing the two governments. These are: an agreement on unhindered transit of people, agreement on the transit of goods, economic cooperation, and the protection of property belonging to the two states, and an agreement on joint participation in third markets.

Introductory speech was delivered by [name indistinct], secretary in the Ministry of Foreign Affairs. A number of concrete proposals stem from this core proposal; in some spheres they assume the form of a draft agreement— for instance, an agreement on the mutual abolition of visas between the Republic of Bosnia-Herzegovina and the Republic of Croatia, which also, in the event it fails to be agreed upon in its entirety, envisages the simplification of visa regulations, whereby it would be possible to obtain a visa at border crossings.

Just to single out another issue from the whole spectrum of topics: the return of refugees. There is a proposal to set up a joint interstate commission. In the sphere of transit of goods a bilateral agreement on international traffic will be put forward, while the status of the port of Ploce will be subject of a special treaty.

The forthcoming visit should also produce an agreement on the opening up of all roads, railroad lines, and telecommunications. In the economic sphere there is a host of concrete proposals for a meeting between delegations of the two governments, including the continuation of the initiated cooperation regarding a tender to build four ships for the Islamic Republic of Iran.

Education will also be discussed at the meeting, as we have been waiting for a long time for the signing of an agreement on the education of our children, refugees in Croatia, who have not yet been involved in the educational process in Croatia.

Bihac Offensive by 'Joint Aggressors' Continues

AU1307085394 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 0800 GMT 13 Jul 94

[Report by Mirza Sadikovic]

[Text] The latest offensive by the joint aggressors on the Bihac front, a UN protected zone, is already entering the fifth day. Karadzic's Chetniks, members of the 2d Krajina Corps from Kljuc, Bosanski Petrovac, and Drvar continued artillery-infantry attacks on the Grmusko-Srbljanski plateau, Hasin Vrh, Vrsak, and Greben throughout the night.

Hundreds of artillery shells of various calibers were again fired on the defenders' positions. The Chetniks did not give up trying to breach the lines. Our fighters are heroically resisting the Chetnik attacks, and the lines are firms and stable.

Dozens of newly arrived murderers were eliminated from the Chetnik ranks. The rebels of war criminal Fikret Abdic were [words indistinct] overnight by attacking all lines of separation, particularly in the Cazin region, in (?Cajici), Viskovac, Trzac, and Pecigrad. They were helped by Martic's Chetniks, who have continued to support them from the distance with shells for which the self- proclaimed Kladusa leader is still paying dearly.

During this period, the joint aggressors shelled civilian settlements in the Cazin and Bihac commune. A number of projectiles were fired on the free Bosanska Krupa territory and the area around Buzim.

Serbian Army: Muslims Step Up Doboj Attacks

LD1207221394 Belgrade TANJUG in English 2208 GMT 12 Jul 94

[Text] Doboj, July 12 (TANJUG)—Moslem forces on Tuesday intensified attacks on Bosnian Serb army positions and civilian targets on all fronts in the broader region of Doboj in northern Bosnia, Bosnian Serb army sources said.

West of Doboj, Moslem forces on Tuesday morning carried out a small arms attack, which was repelled by Bosnian Serbs units.

Moslems also intensified attacks along almost all lines of separation in the region of Teslic, a Serb town southwest of Doboj. Bosnian Serb units were forced to return fire to make the Moslems halt the attack.

The Moslems also attacked in the southern part of Mt. Ozren on Bosnian Serb territory. Three Moslem reconnaissance and sabotage groups were crushed in this area.

Bosnian Serb positions northeast of Doboj were also attacked, but without success.

On the Sarajevo front, Moslems on Tuesday continued to violate the ceasefire agreement by opening small arms fire on the Serb defence lines along almost all lines of separation.

Moslem snipers were also active, especially in the area of Ilijas, Serb suburban section north of Sarajevo.

Serbs Turn Back UN General Headed for Gorazde

AU1207183594 Paris AFP in English 1800 GMT 12 Jul 94

[Text] Sarajevo, July 12 (AFP)—Bosnian Serbs Tuesday turned back a UN general headed for the eastern region of Gorazde in the latest of a series of snubs designed to test the resolve of the UN Protection Force (UNPROFOR) here.

"We have always experienced difficulties in getting around", said UNPROFOR spokesman Commander Eric Chaperon. But he acknowledged there had been a recent increase in incidents between Bosnian Serbs and UNPROFOR, adding: "tension is more tangible" now that negotiations on the Geneva peace plan are taking place.

On Monday, the Bosnian Serbs refused UNPROFOR permission to helicopter out of Gorazde, a UN-protected area, 33 civilian patients in need of urgent medical aid.

This followed their earlier refusal to allow the UNPROFOR commanding officer in the enclave, besieged by the Serbs, to fly out to attend the funeral of a British soldier killed by sniper fire there late last month.

Dutch general Adrian Van Baal, UNPROFOR number two in Bosnia, was on his way to Gorazde Tuesday to carry out a reconstitution of the killing, which UNPROFOR blame on the Serbs, when he was turned back at a Serb checkpoint in Rogatica, 15 kilometers (nine miles) north of Gorazde, UN spokesman Rob Annink said. The general had refused to allow the Serbs to search through his aides' personal effects.

UN spokesmen said the Rogatica checkpoint was a regular trouble spot.

UN convoys heading for Gorazde face extensive searches by Serbs and the slightest difference between the manifest and freight carried—even a packet of cigarettes—results in the convoy being blocked or surplus freight being seized.

Annink said UNPROFOR was "very surprised" by the general being turned back as he had met Monday with Bosnian Serb military commander General Ratko Mladic who had agreed to the Gorazde trip.

UN special representative in the former Yugoslavia, Yakushi Akashi, Tuesday pledged to press for greater freedom of movement for UN-escorted convoys in the country.

Tudjman Holds Talks With Ministers Hurd, Juppe

AU1207202294 Zagreb HINA in English 1932 GMT 12 Jul 94

[Unattributed report: "President Tudjman Receives Ministers Hurd, Juppe"]

[Text] Zagreb, 12 Jul—Croatian President Franjo Tudjman on Tuesday received British Foreign Minister Douglas Hurd and French Foreign Minister Alain Juppe. The talks focused on the Contact Group Plan for Bosnia-Herzegovina and the problem of the UN Protected Areas in Croatia.

"I gave full support to the Contact Group and the G7 meeting in Naples. Croatia's views are in agreement with French and British views," said President Tudjman after the talks.

"We talked with President Tudjman about our great anxiety, which is why we and our partners in the Contact Group are exerting strong pressure for the acceptance of the Geneva plan," said Minister Hurd.

"The plan offered by the European Union, the United States, and Russia is balanced and answers the basic questions of all sides," said Minister Juppe, adding that the plan was backed by all G7 countries.

Juppe expressed readiness to assist in the resolution of the problem of the UNPAs [UN Protected Areas] in Croatia, recalling that the Geneva declaration called for the mutual recognition of all countries arising from the wreck of former Yugoslavia.

Ministers Hurd and Juppe are scheduled to fly to Sarajevo and Pale tomorrow, and after that to Belgrade.

Contact Group Plan Urged

LD1207232794 Zagreb Radio Croatia Network in Serbo-Croatian 2200 GMT 12 Jul 94

[Text] [Announcer] Croatian President Franjo Tudjman had talks with the ministers of foreign affairs of Great Britain and France, Douglas Hurd and Alain Juppe, respectively. They made brief statements following the talks. Tihomir Vinkovic has a report.

[Passage omitted]

[Vinkovic] British Minister Hurd thanked President Tudjman and went on to say:

[Begin recording] [Hurd in English, fading to Croatian translation] Britain and France are acting together on this visit, Alain Juppe and myself also, because France and Britain are two countries with the highest number of troops in UNPROFOR [UN Protection Forces]. We had open talks with President Tudjman and explained why we are concerned. We believe that if the Contact Group plan reached in Geneva on 5 July fails to be adopted the progress that has been achieved so far will be annulled and the situation will exacerbate, not only in Bosnia-Herzegovina. We think that the plan is good and acceptable to all parties.

We would like to thank President Tudjman for his support for the Contact Group plan. We also had talks with President Tudjman about the problem of UN protected areas in Croatia; the president told us about his views, which will be useful for talks in Belgrade, Sarajevo, and Pale tomorrow. [end recording]

[Vinkovic] His French colleague Alain Juppe also believes that the Contact Group plan is the best and the most acceptable option to the warring sides and warned of a danger if the plan fails to be adopted. Juppe said that the idea of lifting the arms embargo is ever present and warned of possible dangers.

Thanking President Tudjman for his support for the Contact Group plan Juppe expressed readiness to provide help for the resolution of UN protected areas in Croatia. French Minister Juppe recalled that the international community has already requested that the countries of former Yugoslavia recognize each other within internationally recognized borders.

Tudjman Comments on Talks

LD1207183094 Zagreb HTV Television in Serbo-Croatian 1730 GMT 12 Jul 94

[Text] We have just heard that talks in Zagreb between Croatian President Tudjman and French Foreign Minister Alain Juppe and British Foreign Secretary Douglas Hurd have ended.

Both foreign ministers thanked President Tudjman for his efforts to resolve the crisis. This is what President Tudjman told our reporter Mirjana Rakic:

[begin recording] [Tudjman] Messrs Juppe and Hurd informed me about the intentions of the Contact Group and the international community really to achieve peace, and not to allow any deviations from the path to the final solution or any escalation of the conflict if the peace plan is not accepted by the parties.

For my part I, of course, gave full support to the proposals by the Contact Group and the Big Seven or the Big Eight. In this respect a high convergence of views was demonstrated.

[Reporter] Did you get an impression that the international community is ready to impose the peace plan, if necessary?

[Tudjman] The international community is determined that a chance must not be missed to make use of the current situation, that futile talks must not be allowed to continue.

[Reporter] Did you discuss the UN-protected zones in Croatia?

[Tudjman] Of course, above all. [end recording]

Tudjman Receives Redman

LD1207203794 Zagreb Radio Croatia Network in Serbo-Croatian 2000 GMT 12 Jul 94

[Text] After meeting ministers Hurd and Juppe, the Croatian president received Charles Redman.

Following talks with President Tudjman, Ambassador Charles Redman, the U.S. President's special envoy at the peace negotiations, said that this is the right moment to accept a peaceful resolution for Bosnia-Herzegovina, because this chance may be the last.

Redman believes that the messages of pressure and encouragement sent by the international community from Geneva on 5 July and from Naples to the warring sides are perfectly unambiguous.

My visit to Zagreb, as well as the visit by ministers Juppe and Hurd, proves that the international community has not forgotten the problem of the protected areas in Croatia. I believe that a comprehensive solution can be found, Charles Redman said.

UNPROFOR Accuses Police of Backing Blockade

LD1207180094 Belgrade TANJUG in English 1728 GMT 12 Jul 94

["Pool" item]

[Text] Knin, July 12 (TANJUG)—United Nations Protection Force [UNPROFOR] official Allun Roberts Tuesday accused Croatian police of backing the refugees who have been blocking UNPROFOR units in Croatia since July 1. Roberts also said he doubted that the action was spontaneous. Rallies of displaced persons have turned into something that is undermining the ceasefire agreement between Croatia and the Republic of Serb Krajina [RSK], Roberts, UNPROFOR spokesman for the Sector South, told a press conference in Knin. Roberts said there was danger that the blockade of crossings from Croatia to the Serb Krajina could limit UNPROFOR activities in monitoring the ceasefire agreement on the Croatian side.

Out of the 19 crossings, traffic has been blocked or proceeding with difficulty on 15, Roberts said. In the Sector South, four of the six crossings have been blocked, and at the two remaining crossings—Otocac and Medak—there are certain problems, because Croatian authorities demand that all crossings be registered 24 hrs in advance, he said.

Roberts said the situation was most difficult in the sector East where U.N. peacekeepers are grappling with the shortages of fuel, medical supplies and food because of the blockade. He added that the person in charge of civilian affairs in the sector had also maintained in his report that at some crossings Croatian police was offering open support to protesters.

Four U.N. Protected Areas (UNPA) cover the territory of the Republic of Serb Krajina, set up by Serbs in the former Yugoslav Republic of Croatia in 1991, when Croatia seceded from the former Yugoslavia and eliminated Serb national rights from the Croatian Constitution. The UNPROFOR blockade was organized by an association of Croatian refugees demanding that U.N. peacekeepers enable Croatia to reimpose its authority in UNPA areas and to secure return of Croatian refugees to their homes in the Serb Krajina.

Croatian authorities are trying to use this action of refugees as a pretext for disapproving the extension of the current UNPROFOR mandate due to expire end of September. Krajina was declared a U.N. protected zone in March 1992 and since then Croatia has launched three offensives on it in an attempt to reimpose by force its authority in the region.

Roberts also informed the press about activities of the Croatian Army on the island of Vir off Zadar, where a number of tanks, howitzers and other types of artillery weapons had been deployed. According to UNPROFOR, parts of the Fourth Guard Brigade of the Croatian Army have also been transferred from the Croatian port of Split to Vir, where they have already started their training. UNPROFOR has been denied access there, because the island lies outside the 20-km zone envisaged by the agreement, Roberts said. He added that European Union observers had managed to reach the island after a large number of attempts, but their movement had been restricted.

Akashi Views Refugee Situation

AU1307101394 Zagreb HINA in English 0942 GMT 13 Jul 94

[Unattributed report: "Akashi Optimistic About Resolution of UNPA Problem"]

[Text] Zagreb, July 13 (HINA)—In last night's interview with Croatian TV the UN Secretary General's Special Envoy to Former Yugoslavia Yasushi Akashi expressed optimism regarding the resolution of the problem of the UNPAs [UN Protected Areas] and called on displaced persons to be patient, as "despite all UNPROFOR's [UN Protection Forces] and UNHCR's [UN High Commission for Refugees] efforts, the conditions for their return have not been created yet." "So far we have achieved many positive things, such as the withdrawal of the Yugoslav armed forces from some parts of Croatia, but we have not managed to achieve some other goals. On March 29 we reached a very important agreement which created a disengagement area between the warring sides. This will pave the way for a better economic cooperation, which in turn will lead to a political solution," said Akashi. Asked why UNPROFOR had not yet returned the refugees to their homes, Akashi expressed sympathy with the suffering and growing impatience of the refugees and said that they must return when the situation was safe and the mines cleared.

According to Akashi, the blame and responsibility for the failure to implement a UN resolution on the disarmament of paramilitary forces in the UNPAs should be "shared." "Only one side cannot be blamed for the standstill," Akashi said. "We would very much like to achieve a demilitarization which would create good conditions for the return of refugees. But when mutual distrust and hatred assume such proportions, there are no conditions for demilitarization," said Akashi. Asked if the UNPROFOR mandate could be changed, Akashi recalled that UNPROFOR was acting under the mandate of the UN Security Council, which will take the views of the Croatian government into serious consideration. As for UNPROFOR's deployment on the borders between Croatia, Serbia and Bosnia-Herzegovina, Akashi complained about the insufficient number of troops, the length of the borderline and the lack of resources. "We have to supervise a 1,200 km-long confrontation line. We need more troops. We are stretched to the limit," said Akashi.

Tudjman Holds News Conference in Zagreb

LD1207161994 Zagreb Radio Croatia Network in Serbo-Croatian 0700 GMT 12 Jul 94

[News conference by President Franjo Tudjman for domestic and foreign correspondents, on the lawn outside the Presidential Palace in Zagreb; names of correspondents given where known—live]

[Text] [Zeljko Rajic] Mr. President, good morning; Zeljko Rajic from Croatian television. To begin with, an unpleasant question: According to unofficial reports from Belgrade, your imminent meeting with Serbian President Milosevic is being announced. If that is true, which conditions must Serbia and President Milosevic fulfill before the meeting? Thank you.

[Tudjman] Yes, I have heard such announcements even from some people I have received recently. But that meeting cannot take place before President Milosevic, Serbia, and the Yugoslav Government recognize Croatia in its internationally recognized borders. It is only if such recognition is granted during the meeting that the meeting can take place. [sentence as heard] The only thing I do not understand is why this question is unpleasant.

[Gavran] Zdravko Gavran, the GLASNIK HDZ-A. Mr. President, that question begs another one. What if they do not recognize Croatia?

[Tudjman] If they do not recognize it, that is a question the answer to which should be sought in the context of the overall problem of solving the crisis on the territory of the former Yugoslavia, that is the attitude toward the proposals, not only those of the Contact Group, but also the proposals of the great seven, or rather, eight.

[Correspondents] [Name indistinct], the weekly DANAS. Mr. President, there have been increasingly frequent rumors about a possible federalization of Croatia. The rumors come not only from Galbraith and Churkin, or from Istrian Democratic Assembly [IDS] leader Pauleta, but also from Mr. Drazen Budisa, chairman of the Croatian Liberals, who told us in an interview that he can see a federal Croatia. Can you see a federal Croatia?

[Tudjman] Well, I cannot see it, neither as president of the Croatian state nor as an historian, because I know under what circumstances—both specific international and historical circumstances—we established an independent democratic Croatia, and I also know what federalization would mean. That was best seen from a statement by one of the founders and leaders of the IDS who envisages Istria to be a transborder region in the framework of the federalization. As such, Istria should be demilitarized and join Europe.

Naturally, ideas about the federalization of Croatia would encourage still unfulfilled autonomist currents and tendencies throughout Croatia, from Dubrovnik and Dalmatia to Medjimurje. So, such an idea is politically unimaginable, contrary not only to Croatia's constitutional system—we have the constitution on which we are building Croatia—but also in contravention of the vital interests of the Croatian nation which has only now achieved its own independent, democratic state.

[Correspondent] [Words indistinct] protest by the refugees considering the UN Protection Forces [UNPROFOR]. How do you judge the situation and what do you think of [words indistinct]? In other words, are the chances that UNPROFOR has to be removed from Croatia bigger than efforts [words indistinct]?

[Tudjman] First of all, what needs to be understood is that the refugees' dissatisfaction is justified, that we have a quarter of a million of refugees in Croatia who have lived in very bad conditions for three years.

They have good reason to be dissatisfied because UNPROFOR has not done what was envisaged in the Vance plan and what Security Council resolutions call for, especially Resolution 769 on the control of borders between Croatia and Serbia and Resolution 871 which envisages the gradual return of refugees and the reintegration of the occupied Croatian areas into Croatia's constitutional and legal system. The refugees are therefore justified in their demand that UNPROFOR should start implementing its tasks, but we also know that the main responsibility for UNPROFOR's failure to implement the Vance plan and the Security Council resolutions does not lie with UNPROFOR but with the Serb side which has prevented that, which has refused to disarm and begin to accept the Security Council resolutions.

On our part, we will discuss this problem with important international players and the United Nations and, as we have said, we will not be prepared to extend UNPROFOR's mandate unless UNPROFOR is authorized and enabled to implement the resolutions.

I think that this problem should be viewed in the context of the overall efforts to solve the crisis in Bosnia-Herzegovina and the problems of the occupied Croatian areas.

[Al-Isa] Nada Al-Isa, Bosnia-Herzegovina Radio-Television. Mr president, I would like you to comment briefly on the forthcoming meeting on Brijuni on 17 July, I think. Seeing that it is already clear who wants what in Bosnia and who was granted what under the maps from Geneva, and considering that the Turkish president will attend the meeting, is Turkey appearing as a mediator between the Croats and Bosniaks? Basically, could you tell us what you expect from the meeting on Brijuni?

[Tudjman] Turkey is not assuming the role of a mediator between the Croats and Bosniaks in Bosnia-Herzegovina, it is appearing in the role of a friend and an ally which, together with Croatia, has influenced the creation of the Bosniak-Muslim-Croat Federation in Bosnia and the confederation with Croatia. So, Turkish President Demirel will be a good collocutor in the tripartite talks, primarily to consolidate the implementation of the Washington agreements on the Federation and confederation. We will hold separate talks, of course, about the development of economic relations.

[Correspondent] ITAR-TASS Russian news agency. Would you please comment on the increasingly frequent statements to the effect that, all other means failing, Croatia will resort to force to liberate the occupied territories. Thank you.

[Tudjman] Croatian representatives have rightly said that they want the occupied areas to be reincorporated into Croatia's constitutional and legal system, in line with the Security Council resolution, and by peaceful and political means. But, of course, the Croatian state leadership cannot agree to the current situation turning into a permanent occupation. Therefore, if the occupied territories are not returned by peaceful means and with the help of the international community—and I believe this will happen after the proposals and demands by the international community contained in the recommendations of the Contact Group ministers and the decisions of the great seven, or rather, eight—if this does not happen, of course, Croatia—as a sovereign and internationally recognized state—has the right to use all means to install its constitutional and legal system throughout its territory.

[Juresko] Goranka Juresko, VJESNIK. You have said you are not going to visit Belgrade unless Croatia is recognized by the Federal Republic of Yugoslavia. However, can a meeting at ministerial level take place? And another question, is there any chance of UNPROFOR being placed on the border between Croatia and Serbia and the border between Croatia and Bosnia-Herzegovina within its next mandate?

[Tudjman] The agreement on the normalization of Croatian- Serbian relations, on the opening of a Croatian office in Belgrade and a Serbian office in Zagreb, also included an agreement on a meeting of foreign ministers. As you know, Mr. Simic visited Zagreb. A return visit was agreed on, too. It was also agreed that Granic, the deputy prime minister and foreign minister, should visit Belgrade once the Serbian side secures preconditions for opening the highway and the railway line passing through Okucani and telephone lines. This is what the Serbian side has so far not carried out although that is what it promised. This is why there has been no such meeting so far. If the Serbian side starts meeting these obligations, which it assumed by way of normalization, Granic will certainly travel to Belgrade.

As far as a meeting of presidents is concerned, as far as my meeting is concerned, there have even been suggestions that such a meeting take place somewhere else, in the presence of some witnesses. As I said, however, this meeting may only take place provided Croatia is recognized.

As far as your second question is concerned, I believe that the only realistic notion is the one whereby UNPROFOR starts taking control of the borders between Croatia and Serbia, and those between Croatia and those parts of Bosnia which are controlled by the Bosnian Serbs, in the course of its implementation of resolutions and the peaceful resolving of occupied areas. In this way, resolution 769 may be implemented. I believe that in future one should view precisely in this way the materialization of UNPROFOR's duties and the implementation of UN Security Council resolutions.

[Modric] Modric, YUMIURI SHIMBUN. Mr. president, we have heard what the Serbs and the Bosniaks think of the Contact Group's proposal. You, however, have had no chance to explain in detail how you, in your capacity as Croatia's president, view the possibility of this proposal being accepted by 19 July. Would you be so kind as to present your views on the possibility of eventually finding a solution for Bosnia-Herzegovina?

[Tudjman] First of all, as far as the Croatian side, the Croatian side as a whole and its state policy, and even Croatian policies in Bosnia-Herzegovina are concerned, I maintain that these proposals come as a result of everything that has taken place so far; the battlefield situation as well as the negotiations which have been going on for as long as two years. Although no side in Bosnia-Herzegovina can be fully satisfied with the proposals they are nevertheless acceptable to the Croatian side as a compromise solution. I believe they will be accepted by the Croat representatives within the Federation framework and in talks we are going to conduct on confederal issues.

From Croatia's point of view, we also support these proposals because, in a sense, they mean the imposition of peace in Bosnia- Herzegovina on those who so far have not wanted it and who would like to continue either to wage war or to hold the areas they have occupied. We are particularly satisfied with the foreign ministers'

statements. Now, with the Naples guidelines and demands, the territorial integrity of Croatia has been directly confirmed and those who are putting up resistance have been invited to negotiations. So the problem of occupied areas can be solved in a peaceful way while Belgrade has been explicitly called on to recognize Croatia within its internationally recognized borders.

[Correspondent] KUNA news agency. Mr. president, being an experienced politician, do you really believe that the international community, i.e. the member countries of the Contact Group, will impose peace? The reason I am asking this question is the fact that dozens of resolutions and demands raised by various international organizations and forums and the UN Security Council have so far yielded no result. Do you really believe that this is the last chance?

[Tudjman] I believe it is. First of all, this time the international community worked as a group, including the foreign ministers of the countries most responsible for international order. Finally, there is no more responsible body within the framework of world politics and the international order than this gathering of the seven big ones, or rather the big eight. On the basis of our experience so far, the fact that no solution has been found yet and that every proposal has in one way or another been outmaneuvered, the international community has drawn the conclusion that it is necessary to impose peace if necessary.

[Text] This is why I believe that even those who would like to play tricks—just as they have been doing so far—even they will be forced to accept the conditions set by the international community, as these international documents say. Otherwise the conflict in Bosnia-Herzegovina and the crisis in the area of former Yugoslavia will threaten to turn into a conflict of civilizations. This is something the world, the international community, cannot afford. It is of decisive importance that these proposals and, I would even say, these demands have for the first time brought the United States, the main European countries, and Russia together and in agreement. This is where I see the guarantee that these decisions will be implemented this time, one way or another.

[Correspondent] Ivana [name indistinct], HINA. Mr. president, in connection with your previous answer, could you comment on statements by Italian officials that Italy has not been much involved in solving the crisis in the territory of the former Yugoslavia, and that they will initiate new proposals for resolving the Bosnia-Herzegovina crisis? Thank you.

[Tudjman] On our part, we have nothing against Italy becoming involved in solving the crisis in the territory of the former Yugoslavia, but, as is known, neighboring countries are not involved. We would be in favor of Italy officially becoming involved, if for no other reason, than because—as we have seen recently—support is being given to the Knin Serbs from profascist and irredentist Italian circles, and the Knin ringleaders have announced their meetings with some such Italian representatives. So, the official policy of the Italian Government, which opposes such irredentist tendencies—or in Croatia rebel and secessionist tendencies—would be welcome.

I believe that although it was not directly involved in the narrow circle of negotiators, Italy's role has been constantly present, and that Italy can play a positive role in the future as well.

However, at the moment I do not expect that Italy can now come up with some proposals which will be new compared to the proposals offered by the Contact Group ministers and the Naples summit.

[Perasovic] Mr. president, Zeljko Perasovic, GLAS SLAVONIJE. Is it necessary to hold early elections and will you call early elections in the autumn? Thank you.

[Tudjman] There is no need to hold early elections. The assembly is functioning normally with a majority necessary for normal work in both chambers, and Croatia has more important tasks than to get involved in a political preelection struggle.

Ahead of us we have the task of liberating the occupied territories, of negotiating the normalization of relations with Serbia, and of consolidating and implementing the Washington agreement on the Croat-Bosniak Federation in Bosnia and on the confederation. So, we have enough important, vital, political, and economic problems which need to and must be concentrated on not only by state authorities, but also by the whole of the Croatian public if we are to develop further along the path of strengthening the democratic order and Croatia's international position, where enviable results have been achieved precisely owing to our policy. Nowadays Croatia has acquired not only friends, but also allies among the most influential international players, from the United States to major European states and, as we have seen, Turkey, which plays an important role here, on the border between Europe and Islamic countries.

Therefore, neither internal nor international conditions favor early elections. On the contrary, they favor adhering to the policy with which we have achieved successes in consolidating the internal democratic system and strengthening Croatia's international position, as well as economic successes in stabilization, in curbing inflation, and in introducing the new convertible national currency. All this shows that the path of achieving the results we want—in the interests not only of our citizens and of all levels of the Croatian people, but also of the Croatian state and of peace in this part of Europe—should not be riddled with obstacles; on the contrary, we should continue along that path.

[Piskor] Mate Piskor, VECERNJI LIST. Mr. president, please could you comment on the latest change in Milan Martic's position. All of a sudden he has expressed a desire to negotiate with Croatia. Is this Belgrade's new signal, or is this a new game?

[Tudjman] It is obviously Belgrade's new signal. You probably know that in this sense Belgrade has been cornered not only by a set of global views held by the international community but particularly by the position of Russia upon which Belgrade relied. This is something that should be welcomed—the fact that democratic Russia and Minister Kozyrev, during his stay in Belgrade. [sentence as heard] It seems that the phone line between Moscow and Belgrade was busy. As far as we know, even President Yeltsin himself made it clear to Belgrade that it should accept the proposals which lead to an end to the crisis and to the restoration of peace.

[Tolj] Mr. president, HRVATSKI VOJNIK, Ivan Tolj. What is the meaning of Budisa's [leader of Social Liberal Party] recent statement to the effect that he is not in favor of a confederation of Bosnia-Herzegovina and Croatia, particularly in the light of the Washington agreement?

[Tudjman] It means his opposition to the Washington agreement. Everyone is entitled to their own views. After all, this is a very important issue which has to be discussed in the most serious way, as envisaged by our constitution. I personally maintain that this is in the interest not only of the Bosniak-Croat Federation. It is a well known fact that the Croats in Bosnia- Herzegovina—who defended themselves first against Serb aggression, who defended their survival—could accept this federal constitution and the Bosniak-Croat Federation provided a confederation comes into being. Hence, this confederation is in the interest of the Croats' survival in Bosnia-Herzegovina and of directing the Federation in terms of European civilization. I also believe that this is in the strategic interest of the Croatian state, of the Croatian people as a whole. I would add that it is in the interest of the Western world and of Western civilization to make sure, by way of confederation, once and for all that this Bosniak-Croat Federation is linked via the confederation with Croatia to Western civilization.

[Bernardic] Vesna Bernardic, the Spanish news agency EFE. Mr. President, I would like to ask you about the accusations voiced by international and Croatian human rights organizations, to the effect that Croatian citizens have been evicted, and are still being evicted from their apartments. I have had the opportunity to personally witness a scheduled eviction. To my mind, by legal and even patriotic standards, it was totally groundless in that particular case. I would like to ask you whether it is true, as I have heard, that you have not been informed about the number and nature of such unlawful procedures, although various human rights organizations have pointed this out? Or else, you as a president of state support these procedures that have taken place or are in progress at the moment?

[Tudjman] Dear lady, first of all, there are no unlawful evictions. Each and every eviction is carried out solely on the basis of a court ruling. These court rulings are based on the law, the law passed by Croatia's Parliament. It is an interesting fact that those who raise the problem of evictions forget that they target those individuals who are to blame, i.e. who are in some way linked to those who are to blame for the fact that today in Croatia we have 250,000 or over a quarter of a million people who have been evicted from their apartments, whose homes have been destroyed, and among whom there are thousands and thousands who have been killed [sentence as heard]. These evictions that are being carried out target those people who have unlawfully taken advantage—I do not know what kind of cases there can be—of those members of the ex- Yugoslav Army, or those members who in one way or another were involved in the rebellion against the democratic Croatian authorities [sentence as heard].

In Croatia courts are totally independent. In Croatia courts make decisions on the basis of law without any influence whatsoever from any political or other bodies. It is an interesting fact that those who raise these issues are not preoccupied with the fate of those people who are still fighting to return, when and how, not to their apartments but to their ruined hearths, they are being preoccupied with these issues [sentence as heard].

I agree that even such a legal eviction, that is carried out only on the basis of a court ruling, if viewed in isolation, is clearly painful for individuals or individual families. However, this problem cannot be seen outside the context of aggression against Croatia, the occupation of Croatian territory, the collaboration of members, or in some way these in this attempt at toppling the Croatian authorities or in the context of the illegal occupation of these apartments in an attempt to outmaneuver Croatia's legislation and laws [sentence as heard].

[Rajic] Rajic, Croatian TV. I would like to go back to relations between Croatia and Serbia. Recent statements by Veljko Knezevic are becoming increasingly undiplomatic, such as his contradictory statements on the news yesterday that the Serbs in Croatia, in Zagreb, have no rights, that they are second class citizens. What will Croatia do about such statements by a Serbian representative? Thank you.

[Tudjman] As you can see, Serbian policy is in a very delicate position. Serbia is forced to change its views, to give different statements. I think that you or someone else has mentioned Martic, who was against further talks yesterday, and today he is offering to resume them. As far as I know, Mr. Knezevic also said that he has come to Zagreb to work on the normalization of relations between Serbia and Croatia, and now, when there are offers and indications that Belgrade is ready for further talks on normalization, and when there are even proposals for a meeting between me and President Milosevic, he is making such statements. Therefore, Serbian policy has its back against the wall, and there are many personal views there.

The international public is not ignorant of that. You yourselves write and there is talk among the international public about differences and clashes between

Belgrade's official policy and some Serbian politicians in the so-called Krajina and in Bosnia. All this is going on in the context of upheavals which will be solved in one way or another; for example, in the context of accepting or rejecting the proposals offered by the international community to all the warring sides in the territory of the former Yugoslavia.

[Unidentified correspondent in English] U.S. and World Report: I am wondering if you plan to ask the Association of Displaced Persons to disperse any time in the next few days. There were rumors out of the UN that that is in fact what the Croatian Government is on the verge of doing. And do you expect the opposition members of parliament to attend the 16 July vote on the extension of the UN mandate?

[Tudjman] I think that the opposition has already reached the conclusion that the time has come to return to parliament. After all, some opposition members took part in the work of the assembly during the last few sessions. It would be difficult to imagine people who are responsible to their voters not taking part in the work of parliament when it discusses such a serious issue as the problem of refugees and UNPROFOR's mandate.

[Leric] Luka Leric, Argentine correspondent in Zagreb. Mr. President, at the moment the Pope's visit to Croatia seems rather uncertain. Can you tell us something about that?

[Tudjman] I am not aware that it is uncertain. As far as I know his visit is rather certain, or completely certain unless some unexpected reasons crop up. And, of course, Croatia is expecting the holy father's visit eagerly and with great pleasure.

[Leric] Mr. President, one more question please. I will quote a question that is often heard in Bosnia-Herzegovina nowadays, especially since the fighting in the Cazin Krajina escalated: How could Croatia, which claims that it supports the integrity of Bosnia-Herzegovina, help in resolving the disputes in the Cazin Krajina, particularly in view of the complaints from Bosnia- Herzegovina to the effect that everything could be resolved quickly, that the violently proclaimed autonomy of the so-called Western Bosnia would wither away in a matter of days, if Croatia severed the corridor to Velika Kladusa, that is to Fikret Abdic.

[Tudjman] I personally believe—and this is also the position of Croatia's state policy with regard to the Muslim-Croat Federation and the Croatia-Bosnia-Herzegovina confederation—that the conflict in Western Bosnia is not only undesirable but also damaging to the relations in question. I suggested to President Izetbegovic and Prime Minister Silajdzic during my visit to Sarajevo that everything should be done to end this conflict. All the more so, because Mr. Abdic, albeit a politician who managed to cope quite successfully with the problems facing Western Bosnia during the conflict, nevertheless opted for full cooperation with the Republic of Croatia, and came out in favor of accepting the Washington agreements.

Therefore, I think that everything should be done, and I personally expressed a readiness to mediate in this in order to bring the conflict to an end and effect the signing of an agreement with Mr Izetbegovic, that is, the Muslim leadership in Sarajevo, with the aim of ending the inter-Muslim bloodshed in Western Bosnia, and consequently speeding up the implementation of the Washington agreements.

HINA on News Conference

AU1207161494 Zagreb HINA in English 1520 GMT 12 Jul 94

[Unattributed report: "President Tudjman's Press Conference (2)"]

[Text] Zagreb, 12 Jul—Asked to comment on statements by some Croatian politicians that Croatia was going to liberate the occupied territory by force, President Tudjman said he trusted that the occupied areas would be reintegrated by peaceful means with the assistance of international factors. "If these areas are not reintegrated by peaceful means, Croatia as a sovereign, internationally recognized and democratic country has the right to use all means in order to establish the constitutional and legal order on its territory," said President Tudjman. He said that Croatian leadership could not accept the current situation evolving into a permanent occupation of Croatian territory. President Tudjman said the UN resolutions could be implemented and the occupied areas peacefully reintegrated only if the UN Protection Force [UNPROFOR] units were deployed along the borders between Croatia and Serbia and between Croatia and those parts of Bosnia-Herzegovina controlled by the Bosnian Serbs.

Asked whether a Croatian-Serbian meeting at the ministerial level was to be expected in the near future, President Tudjman said that such a meeting would be held if the Serbian side began to fulfill its obligations under the agreement on the normalization of relations, including the opening of the Zagreb-Belgrade motorway via Okucani and the restoring of telephone communications. Asked to comment on the recently floated idea of a federal Croatia, President Tudjman said such an idea was "politically unthinkable," adding that he, both as a president and a historian, could not imagine a federal Croatia.

Commenting on the Contact Group proposal for the resolution of the crisis in Bosnia-Herzegovina, President Tudjman said: "Although none of the sides to the Bosnian conflict can be wholly satisfied with the proposal, the Croatian side finds it acceptable as a compromise." Noting that Croatia was backing the proposal and that the Croatian representatives in the Bosnian Federation were probably going to support it, President Tudjman hailed the latest confirmation of the territorial

integrity of Croatia by the Naples summit, which also called on Belgrade to recognize Croatia within its internationally recognized borders. "I see certain indications that these decisions are going to be implemented this time," President Tudjman said.

Asked to comment on statements by Italian officials that Italy so far had not taken an active part in the resolution of the crisis in former Yugoslavia but was now going to propound some new solutions for Bosnia-Herzegovina, President Tudjman said Italy could play a positive role in that respect. Another reason for welcoming Italy's involvement is the open support to the Knin Serbs coming from Italian profascist and irredentist circles, President Tudjman said. Asked whether special elections would be called this autumn, President Tudjman said there was no need to call them, as the Parliament was functioning normally, with a quorum in both Houses. "Croatia has more important tasks now than getting involved in political and electoral fights," said President Tudjman, adding that these tasks included the liberation of the occupied territory, the normalization of relations with Serbia and the implementation of the Washington Agreements.

Asked whether he expected the opposition members to join the July 16 parliamentary sitting and take part in a debate on the UNPROFOR mandate, President Tudjman said he believed they would. "It is difficult to imagine that people responsible to their constituencies are not going to take part in the work of the Parliament, when the return of the refugees and the UNPROFOR mandate are on the agenda," said President Tudjman.

Asked to comment on "unlawful evictions," President Tudjman denied any unlawful evictions had taken place. "Evictions are carried out only by court order, and court orders are issued on the basis of laws enacted by the Parliament," said President Tudjman.

Commenting on an impending meeting with President Izetbegovic and Turkish President Demirel at Brijuni, President Tudjman said Turkey was not attending the meeting as an arbiter but as a friend and ally. He said the trilateral meeting would focus on the ways to reinforce the implementation of the Washington Agreement and the development economic relations. President Tudjman concluded by announcing the Pope's visit to Croatia, which is expected with "impatience and pleasure."

Herceg-Bosna Authorities To Discuss Peace Plan

AU1207165694 Zagreb HINA in English 1616 GMT 12 Jul 94

[Unattributed report: "Herceg-Bosnan House of Representatives To Convene Saturday"]

[Text] Mostar, 12 Jul—President of the Herceg-Bosnan House of Representatives Ivan Bender on Tuesday called a session of the House for Saturday, 16 July with the Contact Group Peace Plan for Bosnia-Herzegovina as the first item on the agenda, said the Herceg-Bosnan HABENA news agency.

Federal

Foreign Ministry Condemns Algiers Incident

LD1207180194 Belgrade TANJUG in English 1718 GMT 12 Jul 94

["Pool" item]

[Text] Belgrade, July 12 (TANJUG)—Belgrade has strongly condemned a terrorist attack by Islamic fundamentalists in Algiers Monday that left two Yugoslavs dead and one wounded. Dole Jaksic and Milorad Langovic, who had been working for the Belgrade-based construction companies Hidrotehnika and Geosonda, were killed in a restaurant near Algiers together with two Algerian business associates.

Hidrotehnika General Manager Simeon Nakov suffered a slight leg injury. Several other people in the restaurant were also wounded. The Yugoslav Foreign Ministry demanded that the attackers be found and brought to justice and that measures be taken to prevent similar incidents in the future. Yugoslavia had warned Algeria of the growing danger of Islamic fundamentalists, the ministry said in a statement. Hidrotehnika decided Tuesday that it would pull out of Algeria.

The attackers are thought to be members of an Islamic fundamentalist organization that has targeted foreigners in Algeria for several months.

Algerian Prime Minister Mogdar Sisi sent his condolences to Yugoslav Prime Minister Radoje Kontic, vowing to find the assassins. Four Russians, one Romanian and four Algerian business executives were also killed on Monday in separate incidents. Fifty-one people have been killed since a fundamentalist organization said in September that it would begin targeting foreigners.

Algeria was swept by a wave of political violence in January 1992, when a ruling council annulled elections that the country's Islamic Salvation Front had won by a landslide victory. The front has since been outlawed and has gone underground.

Monday's attacks are thought to be linked to the group of seven industrial nations and Russia's call in Naples Sunday for Algeria to start a dialogue with nonviolent opposition groups. The G-7 statement made no mention of the Islamic Salvation Front.

SNO to Organize Protests Against Hurd, Juppe

LD1207133794 Belgrade TANJUG Domestic Service in Serbo-Croatian 1252 GMT 12 Jul 94

[Excerpt] Belgrade, 12 Jul (TANJUG)—The Serbian National Renewal [SNO] will organize "peaceful demonstrations" at 1200 tomorrow in front of the Serbian Presidency building, in protest against the arrival of Douglas Hurd and Alan Juppe, the foreign ministers of Great Britain and France. This was announced at the party's news conference today.

Announcing the protest, Gordana Zuvic, a member of the SNO Executive Committee, said that "the demonstrations are not directed against France or Great Britain, but against the two diplomats. They are not coming on a normal protocol visit but as bullies, intending to exert pressure on Milosevic to use his influence with the Serbs of the Bosnian Serb Republic to accept the plan on the division of the former Bosnia-Herzegovina imposed upon them." [passage omitted]

Army Holds Training Exercise in Kragujevac

LD1207172394 Belgrade TANJUG Domestic Service in Serbo-Croatian 1304 GMT 12 Jul 94

[Excerpt] Kragujevac, 12 Jul (TANJUG)—A training exercise entitled Protection of Manpower, Installations, and Material Resources in the Yugoslav Army was held today at the Kragujevac Corps, as part of the planned combat training of the Yugoslav army.

The exercise was attended by Colonel General Momcilo Perisic, chief of staff of the Yugoslav Army, commanders of strategic groups and operational units, and a number of high-ranking officers, according to a statement by the information service of the Yugoslav Army's general staff.

Several ways of providing effective protection for people and military installations were demonstrated, with optimum use of manpower and modern technical resources.

Selection and mental and physical readiness of the people involved in duties of providing security to military installations were stressed in particular, as well as the reduction of risk to the lives and health of the Yugoslav Army soldiers. [passage omitted]

Serbia

Source Says Milosevic 'Furious' With Karadzic

AU1207140294 Belgrade BORBA in Serbo-Croatian 12 Jul 94 p 14

["Borrowed Article" from SVET report by Robert Coban: "Nightmare From Velika Drenova"]

[Text] The last few days have seen much activity in the salons of the Serbian Presidency, the building situated in the triangle between the Serbian, Federal, and Belgrade Assemblies. As time went by and the famous D-Day in Naples approached, so the Serbian political leadership became more frantic in "arranging things" on Belgrade-Pale-Zagreb-Moscow-Washington relations.

Of all the contacts that President Milosevic has recently had, the talks with Radovan Karadzic have been the most interesting.

Great Unmasking

"He has not been so sharp and decisive for a long time. When last year Cosic, Bulatovic, and he sent that letter to Pale [recommending that the Bosnian Serbs accept the Vance-Owen plan], he was furious, but not this furious!" These are the words of one of the people from Milosevic's close entourage, who was with Milosevic after Karadzic had left.

"Karadzic was unusually calm, and he kept repeating the same thing, that he would not accept the maps with such borders and percentages even at the price of being immediately removed, because the acceptance of the map would bring about great wrath in the Serb republic, conflicts, and perhaps even a civil war among the Serbs themselves!" At one point Milosevic criticized Karadzic for dividing the Serbian people into Chetniks and partisans, for creating new rifts, hinting at [Momcilo] Krajisnik's statements about the rehabilitation of the Ravna Gora [Chetnik] movement. Karadzic told him: "You are doing the same thing in Serbia!"

At that time Karadzic had not known that several days later, on 4 July, Radmilo Bogdanovic—who simulates the "national wing" in the Socialist Party of Serbia ("I do not like Lilic's statement!")—would state that there could be no reconciliation between "the Chetniks, who fought alongside the occupying forces, and the partisans, who were the liberating forces." These words by the man who had until then been in charge of making "ultra patriotic" statements clearly show that the time has come for the "great unmasking!"

However, let us go back behind the thick walls in Serbian Rulers Street [Ulica srpskih vladara]. What then was the outcome of the four meetings that Milosevic has had with Karadzic over the last two weeks? From unofficial sources, but sources that have so far proved to be reliable, we have learnt that Milosevic threatened Karadzic that—if the maps were stubbornly rejected by the Serb republic leadership—he would completely block the crossings on the Drina River, suspend all aid, even food aid, and reveal the contents of the "files." Karadzic was openly told that Milosevic would do everything to have him removed immediately and replaced by a new figure, who had apparently already been chosen.

The whole series of these talks began with a very benevolent suggestion by Milosevic to Karadzic: "Let us sign, and then we can see what we is to be done. All that matters is that we buy time." Then, at that first meeting, Karadzic said neither yes or no, and they parted amicably. However, pressed this time by the unwavering Russian "take it or leave it," Milosevic has found himself in a unenviable position without much room for maneuver.

At their next meeting, Milosevic was more nervous, and the last thing he needed was to be told by Karadzic: "Mr. Milosevic, we will have to think up some other solution. This is no good. Neither I nor anyone else from the leadership can sign maps by which we lose Zvornik, Jajce, Kupres, Brcko, and Doboj. I also would not like you to have to go through a situation such as in Pale last year. Such a thing must be avoided, mostly for your own sake." The said source claims that these words infuriated Milosevic so much that he broke up the meeting instantly.

"At their third meeting the talks were somewhat calmer. Milosevic was more composed and kept trying to persuade him." When they met for the fourth time, Milosevic—without waiting for Karadzic to say anything—issued the threat. Karadzic left.

Closed Meeting in Former Iraqi Embassy

At the same time at another location, at Krunska Street 69 in Belgrade, in the building that used to house the Iraqi Embassy—where Saddam Husayn used to stay during his visits to Belgrade—workers were busy carrying in furniture, fax machines, and documents. [Zoran] Djindjic's Democratic Party was moving its Main Committee and Secretariat into the former Iraqi Embassy building.

We have learnt from sources very close to Karadzic and Dobrica Cosic that—at a closed meeting in Krunska Street 69, in the salon where Saddam Husayn drank cold lemonade during his visit to the last Non-Aligned Movement Summit held in Belgrade—some 10 days ago a meeting was held between the leaders of the Democratic Party, Dobrica Cosic, Radovan Karadzic, and Momcilo Krajisnik.

What could have been on the agenda of this mysterious meeting in Krunska Street 69? Has Dobrica Cosic decided to make a "come back" on the political scene of Serbia by supporting Karadzic's "war option" as opposed to the "peace option" promoted by Slobodan Milosevic and [his wife] Mirjana Markovic? Is Dobrica Cosic counting on the national wing in the SPS [Socialist Party of Serbia] in his intentions to achieve his nightmarish [greater Serbia] dream in the deep shades of the oak trees in Velika Drenova [Cosic's birthplace]? Is young Zoran Djindjic—who has still not removed "the blood on the cushions by the throne" in his own party—seen as the new governor of Serbia's part of the future united Serbian lands?

In any case, if outlines become clearer and such an option were to be chosen instead of the Milosevic-Markovic option, the current Serbian president has much cause for thought about the possible consequences of five years of media war-mongering and the patriotic concept of "All Serbs in one state."

Kosovo

Military Paper Claims Kosovars Forming 'Army'

AU1207174794 Belgrade VOJSKA in Serbo-Croatian 7 Jul 94 p 11

[Article by Ljiljana Staletovic: "Conceiving War Under Tirana's Patronage"]

[Text] In an attempt to present themselves to the world as representatives of an "occupied state," Shqiptars [Serbo-Croatian derogatory name for Albanians, based on the Albanian word] from Kosovo-Metohija formed paramilitary authorities a long time ago. They are publicly striving for a peaceful settlement of the so- called Shqiptar issue, but are doing everything possible to open the southern front once suitable conditions abroad and at home have been created. This is confirmed by the many provocations on the Albanian-Yugoslav border, the constant acquisition of arms by Shqiptar secessionists, and their training in military camps in Albania, where preparations are under way to build a "reception center" for refugees from Kosmet [Kosovo-Metohija]. The leaders of the Shqiptar alternative maintain permanent links with those on each end of the green transversal [allusion to the Muslims in Bosnia-Herzegovina and Turkey]. That these Shqiptars are seriously considering the war option is confirmed by the recent activities of the so-called ministry of defense of the republic of Kosovo, whose members are currently on trial in Pristina.

Members of that group, who started to operate in the second half of 1992 and were active until September last year, have been accused of preparing on the territory of Kosovo-Metohija the secession of the southern parts of Yugoslavia and joining them to Albania.

Army of 40,000 Men

The Shqiptars were preparing an armed conflict in Kosovo-Metohija in cooperation with official bodies in Albania. The so-called defense minister, Hajzer Hajzeri, held talks with Safet Zhulali, defense minister of that country, on two occasions, as well as with Halil Hyseni, a high ranking official in that ministry, on the amount of weapons needed to arm that "army," and the shipment of the arms to our country. Ejup Dragaj, assistant chief of the "general staff," who is in charge of supplies and the rear security of the units, worked out that 40,000 troops need 26,250 rifles, 2,550 machine guns, 5,500 pistols, 10,450 automatic rifles, 182,750 grenades, and 850 mortars.

It is no secret that preparations for a possible conflict on the territory of the FRY are being carried out in Albania. Terrorists, who would be later sent to the FRY, are being trained in barracks in Currila and Labinot-Fushe.

The defense ministry of the republic of Kosovo had been functioning very well until it was discovered. One of the main tasks of the so-called ministry and "municipal headquarters," which operated in Pristina, Podujevo, Pec, Decani, Djakovica, Istok, and Klina, was to set up the "army of the republic of Kosovo," consisting of about 200 companies and 100 platoons with some 40,000 men. Work on enlisting Shqiptar conscripts was also done abroad. Hafiz Gogica, president of the LDK [Democratic League of Kosovo] in Germany, was given the task by "minister" Hajzeri the year before last to start setting up groups of 50 to 100 men in that country. Zaim Berisa, "chief of the general staff," was particularly active on setting up the army. The former JNA [Yugoslav People's Army] lieutenant was involved in setting up brigades and corps consisting of 12,000 to 15,000 men, and special subversive-terrorist units.

Complete Documentation Had Been Prepared

Producing kind of plans that every army has, and operating according to a military hierarchical system had not been much of a problem because they were educated in the JNA Military Academy and the College for National Defense. "Minister" Hajzer Hajzeri has a degree from the College for National Defense. Until July 1990, he was commander of the Provincial Headquarters for Civil Defense. His deputy and a fellow student, Hadzi Ferati, used to be an undersecretary in the Secretariat for National Defense and secretary for national defense in the Municipal Assembly of Prizren. Zaim Berisha, "chief of the general staff," Agim Krasnici, and Biljalj Sulja graduated from the military academy for land forces. Ejup Dragaj also has a diploma from the College for National Defense. Ibus Keljmendi had been chief of the Territorial Defense Headquarters in the Communal Assembly of Pristina until 1991. Haljit Rama used to be commander of the rear eschelon units of the Territorial Defense of Pristina. The other accused, Dzeljadini Rama, Salih Citaku, Adem Salijaj, Sulejman Hasani, Ismail Mehmeti, Heset Sahiti, Ra Ramaj, Abedin Batici, Mustafa Mustafi, Adem Salja, and members of the "municipal headquarters" had a very good knowledge of military organization and skills. Most of them had had jobs connected with defense and security in the former SFRY.

This is why it was not difficult to them to recruit conscripts, or to set up a system of communications, work out mobilization plans, distribute arms, and so forth. Members of the "municipal military commands" had been gathering information on the Army of Yugoslavia, and observing Slatina airport and members of the Ministry of Internal Affairs. They had worked out the complete documentation of the "army" whose task was to carry out the plans of the Shqiptar separatists and oppose the Army of Yugoslavia. Fortunately, they were discovered before they had completed all the preparations for the start of a bloody conflict.

[Box, p 11]

Enlisting Military Conscripts

Adem Salijaj, "commander of the headquarters" in Urosevac, and its members Ismail Mehmeti and Sulejman Hasani were particularly active in enticing military conscripts. They were doing this through "questionnaires," which they sent to LDK members in Urosevac. Meetings were held in private homes, mainly in villages.

The task of the "members of the headquarters" and the "soldiers" was initially to follow the work and gather information on the Army of Yugoslavia and members of the Ministry of Internal Affairs. Heset Sahit was particularly good at this. He carefully followed and recorded

everything that happened at Slatina airport. He recorded every take-off and every landing, and studied the airport's security system. He did not miss out local fuel depots either.

[Box, p 11]

Training of "Section Commanders" in Pristina

The training of "section commanders" took place in the notorious Pristina district of Vranjevac, where the separatists have their stronghold. During the two-month training, which was supervised by Biljalj Sulj, formerly a non-commissioned officer in the JNA, the commanders studied "JNA manuals for section commanders." The most important sections of the manual were translated from Serbian into the Shqiptar language.

Biljalj Sulja and Celjanj Rama organized 10-man formations in that district to fight against members of the Army of Yugoslavia and the Ministry of Internal Affairs. In addition, Rama also set up nine of the 15 envisaged companies and several platoons.

Albanian Party Condemns Police Repression

AU1207194894 Tirana TVSH Television Network in Albanian 1800 GMT 12 Jul 94

[Text] On the eve of the second electoral assembly of the Kosova Democratic Alliance [LDK], the Serbian police have lately intensified repression against the activists of this party. Let us follow a telephone report from Prishtina:

[Unidentified reporter] A protest by the LDK Presidency states that the police intervention in the LDK offices in Gjakove and the harassment of its leader is another act of brutal police repression against LDK activists. This is a clear provocation made precisely during the time the LDK is preparing for its assembly, whose work police seek to hinder and make impossible.

The LDK Presidency protests the terror against activists and the entire Albanian population of Kosova, and demands the immediate release of Aqif Shehu, chairman of the party branch in Gjakove.

The LDK informs that five successive police forays raided Kadri Havdiu, chairman of the LDK sub-branch in Ternave, Podujeve, who was physically mistreated under the pretext that the LDK had allegedly distributed weapons to families in this area. The Podujeve villages have recently become targets of frequent interventions by Serbian police forays.

There are reports of raids and harassment of Albanian families in villages of in the communes of Vushtrri, Mitrovice, Skenderaj, and Ferizaj.

Vojvodina

Prime Minister Supports Hungarian Initiative

LD1207184694 Belgrade TANJUG in English 1809 GMT 12 Jul 94

[Text] Novi Sad, July 12 (TANJUG)—Vojvodina Premier Bosko Perosevic said on Tuesday he supported a Hungarian initiative on a broader cooperation of regions in Hungary, Romania and Yugoslavia.

The regions of the three neighbouring countries should cooperate in the field of economy, transport, environmental protection, culture, sports and tourism, Perosevic said during talks with President of the Hungarian County of Csongrad Istvan Lemon.

The necessity of inter-regional ties between the three countries outweighs the unjust economic sanctions against Yugoslavia which have caused damage to Yugoslavia and its neighbouring countries, Perosevic said.

The Hungarian counties of Csongrad, Bekes, Basc-Kiskun and Szolnok, the Romanian counties of Arad and Timis and the Serbian Province of Vojvodina are regions included in the plan for developing regional cooperation.

A declaration on regional cooperation was proposed by the Hungarian County of Csongrad. The regions from the three neighbouring countries should sign an accord to this effect next autumn.

Once signed, the proposed declaration should help step up a process of lifting the sanctions against Yugoslavia.

Lemon said the aim of this declaration was to promote cooperation between companies, enterprises and citizens in all spheres of life and work in the regions.

The linking of these regions would fit into European processes and institutions, notably the alliance of European regions and other forms of European regional cooperation which help build up an up-to-date European integration, Lemon said.

BULK RATE
U.S. POSTAGE
PAID
PERMIT NO. 352
MERRIFIELD, VA.

This is a U.S. Government publication. Its contents in no way represent the policies, views, or attitudes of the U.S. Government. Users of this publication may cite FBIS or JPRS provided they do so in a manner clearly identifying them as the secondary source.

Foreign Broadcast Information Service (FBIS) and Joint Publications Research Service (JPRS) publications contain political, military, economic, environmental, and sociological news, commentary, and other information, as well as scientific and technical data and reports. All information has been obtained from foreign radio and television broadcasts, news agency transmissions, newspapers, books, and periodicals. Items generally are processed from the first or best available sources. It should not be inferred that they have been disseminated only in the medium, in the language, or to the area indicated. Items from foreign language sources are translated; those from English-language sources are transcribed. Except for excluding certain diacritics, FBIS renders personal names and place-names in accordance with the romanization systems approved for U.S. Government publications by the U.S. Board of Geographic Names.

Headlines, editorial reports, and material enclosed in brackets [ ] are supplied by FBIS/JPRS. Processing indicators such as [Text] or [Excerpts] in the first line of each item indicate how the information was processed from the original. Unfamiliar names rendered phonetically are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear from the original source but have been supplied as appropriate to the context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by the source. Passages in boldface or italics are as published.

SUBSCRIPTION/PROCUREMENT INFORMATION

The FBIS DAILY REPORT contains current news and information and is published Monday through Friday in eight volumes: China, East Europe, Central Eurasia, East Asia, Near East & South Asia, Sub-Saharan Africa, Latin America, and West Europe. Supplements to the DAILY REPORTs may also be available periodically and will be distributed to regular DAILY REPORT subscribers. JPRS publications, which include approximately 50 regional, worldwide, and topical reports, generally contain less time-sensitive information and are published periodically.

Current DAILY REPORTs and JPRS publications are listed in *Government Reports Announcements* issued semimonthly by the National Technical Information Service (NTIS), 5285 Port Royal Road, Springfield, Virginia 22161 and the *Monthly Catalog of U.S. Government Publications* issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

The public may subscribe to either hardcover or microfiche versions of the DAILY REPORTs and JPRS publications through NTIS at the above address or by calling (703) 487-4630. Subscription rates will be provided by NTIS upon request. Subscriptions are available outside the United States from NTIS or appointed foreign dealers. New subscribers should expect a 30-day delay in receipt of the first issue.

U.S. Government offices may obtain subscriptions to the DAILY REPORTs or JPRS publications (hardcover or microfiche) at no charge through their sponsoring organizations. For additional information or assistance, call FBIS, (202) 338-6735,or write to P.O. Box 2604, Washington, D.C. 20013. Department of Defense consumers are required to submit requests through appropriate command validation channels to DIA, RTS-2C, Washington, D.C. 20301. (Telephone: (202) 373-3771, Autovon: 243-3771.)

Back issues or single copies of the DAILY REPORTs and JPRS publications are not available. Both the DAILY REPORTs and the JPRS publications are on file for public reference at the Library of Congress and at many Federal Depository Libraries. Reference copies may also be seen at many public and university libraries throughout the United States.